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FORD: WAR IF NO M-E SEPARATION

By HELEN THOMAS
UPI White House Reporter

WASHINGTON, Dec. 22 (UPI) — President Ford firmly believes there is a "high likelihood of war in the Middle East" unless the U.S. can get Israel and the Arabs to negotiate further military disengagement. The President's warning about the possibility of Middle East war came when he was asked about a columnist's report that Ford believed renewed fighting could break out in the area in six months.

In an exclusive year-end interview with UPI, the President stated, "I firmly believe, unless there is some movement on a step-by-step basis (toward) peace in the Middle East, there's a high degree, there's a high likelihood of war."

Asked what he planned to do about it, Ford replied: "Keep on working, trying to get Israelis and Arabs to expand the disengagement efforts that were successful in 1973 and 1974, to broaden the agreements (between) the Israelis and the Arab nations. If we keep working on it, and get some success, I think we can prevent another bloody conflict."

Declaring he was encouraged despite rising tensions in the area, Ford said: "I think all parties recognize another war would be a real tragedy, both in lives lost and the financial cost. I think it's con-

sequences could be very serious." The President said it would be "inappropriate" to comment on recurring reports there is a National Security Council contingency plan for the United States to take over some Arab oil fields — or help Israel to do so — if there is another embargo.

Ford said he would have second thoughts about seeking the presidency in 1976 should there be some personal family tragedy, such as a recurrence of the cancer that forced his wife Betty to undergo breast surgery.

The President also foresaw an economic upturn in the last half of 1975, ruled out wage-price controls as the "worst remedy" for inflation and said his priorities now have a "slight tilt" toward reversing the recession.

He declined to say whether he would propose a tax cut, although he is under strong pressure to do so. But he said he will propose "very strong measures" to the heavily Democratic 94th Congress to pull the economy out of its slump and curtail oil consumption.

"The public cooperation effort (to save oil) has not achieved all we feel is necessary," Ford said. "So there will be stronger measures."

The President:

- Said Housing Secretary James Lynn would be his new budget

(Continued on page 4, col. 4)



Some of the 13 El Al aircraft grounded on Friday, seen arranged by the line mechanics in a star-shaped pattern to make it more difficult to move them.

Fahmy, Gamasy start talks in Moscow

MOSCOW (UPI) — The Egyptian Foreign Affairs and War Ministers arrived here yesterday on a quickly arranged visit and began talks immediately with Soviet leaders, an Arab diplomatic source said.

There was speculation among some Western diplomats that a hitch may have developed in plans for an Egyptian visit next month by Communist Party general secretary Leonid Brezhnev.

Tass said Foreign Affairs Min-

ister Ismail Fahmy and War Minister Gen. Mohammed Gamasy were met by Foreign Minister Andrei Gromyko and Defence Minister Andrei Grechko.

Gamasy was sworn in as War Minister in Cairo on Friday. President Sadat, who promoted him to full General, Gamasy succeeds the late Ahmed Ismail Ali.

Western newsmen were turned away from Vnukovo airport when they tried to cover the arrival.

Moscow Radio said Fahmy and Gamasy were here for "an exchange of opinions on problems of interest." No mention was made of Brezhnev's forthcoming Egyptian visit. Lack of a similar mention of Brezhnev's previously announced visit in a lengthy article on the Middle East in yesterday's Communist Party newspaper "Pravda" stirred speculation that last-minute problems may have developed.

The lengthy story in yesterday's "Pravda" dealt with Soviet cooperation with the Arab world and said the Arabs regarded this cooperation "as a factor of stability, peace and social progress." The article also took a swipe at U.S. Secretary of State Henry Kissinger and his step-by-step efforts to establish peace in the Middle East.

The diplomats noted there has been no mention of Brezhnev's trip in the Soviet press since Tuesday after having been the subject of much public comment earlier in the month.

Fahmy and Ismail arrived after what Cairo political sources described as an "urgent" message on Thursday from Brezhnev to Egyptian President Anwar Sadat.

The Egyptian weekly newspaper "Al-Ahram" said yesterday the Soviet invitation reflected Moscow's wish to "promote Soviet-Egyptian relations speedily." It said the Soviet leadership wanted to reach agreement with Egypt on all basic questions in advance of Brezhnev's arrival in Egypt on January 14.

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RABIN BREAKS COLLAR-BONE IN FALL AT HOME

Jerusalem Post Staff

The Prime Minister slipped and broke his collar-bone on Friday, but was able to continue his work after treatment and will chair today's cabinet meeting as normal.

The accident happened in Mr. Rabin's home in Tel Aviv. He fell in the bathroom, landing awkwardly on his shoulder. He was driven to the Tel Hashomer hospital where he was X-rayed and the shoulder placed in plaster cast.

Taking pain-killing drugs to ease the discomfort, Mr. Rabin insisted on resuming his work schedule, and took part in a lengthy session of the Knesset Foreign Affairs and Defence Committee.

No break in El Al dispute, still no flights

By GEORGE LEONOF
Jerusalem Post Travel Correspondent

El Al's entire fleet of 13 aircraft remained idle last night, grounded since midnight on Thursday by the airline's dispute with its maintenance workers. The last plane in landed a capacity load of passengers from New York on Friday.

Since Friday, El Al's heavy Christmas and New Year contingent of passengers are being transferred to other airlines. Some 850 tickets, 600 of them on incoming flights, were endorsed for foreign carriers on Friday, and yesterday the total in both directions rose to 1,200.

El Al spokesmen yesterday said that from today the number will be about 2,000 daily for a week. The national carrier alone brought in 14,000 holiday makers between December 17 and 23.

Mordechai Savitky, El Al's public relations officer, told the press last night that the daily loss to the national carrier as a result of the transfers was between IL1.5m. and IL2m.

FOREIGN FLIGHTS

A number of foreign airlines have already responded to El Al's request that they lay on extra flights to Israel, and as from yesterday, the Seaboard Airline of the U.S. has placed a DC-8 cargo plane on the Israel run to help air-freight agricultural produce. It can take off with a payload of 45 tons. Other airlines are also loading up with perishable farm produce and with mail, which is being dispatched regularly to all destinations.

El Al spokesman Arnold Sherman said yesterday the pressure should ease during the first week of the new year, after departure of the holiday crowd.

No break in the dispute was in sight last night. El Al's management, with the endorsement of the Transport Ministry, suspended all flights claiming that the go-slow strike by maintenance workers was snarling schedules to an extent that made the continuation of normal and effective operations impossible.

The workers committee claimed the delays were due to a shortage of hands during the current period of intensified pressure on maintenance crews as a result of the holiday traffic. But El Al produced statistics to show that the mechanics

were neither understaffed nor under abnormal pressure. A company spokesman pointed out that the workers had deliberately chosen a peak traffic period to make what was in effect an unjustified and thinly disguised demand for more pay.

On Friday, the El Al management served notice on the mechanics, suspending them from work and cancelled their transportation to and from work. Today the Histadrut, whose efforts to mediate in the dispute remained unanswered by the maintenance men, is meeting to discuss the situation. The Histadrut executive will consider whether to waive professional protection with regard to the mechanics (see story Page 2.)

In a radio interview yesterday Eitan Rosenman, a member of the mechanics' works committee, said they would meet to discuss whether they wished to remain within the labour federation.

Last night El Al's chief of its engineering branch, Shaul Eshel, displayed charts and quoted statistics to refute the mechanics' claim that they were not on a go-slow strike but lacked the manpower to cope with the work load. He compared the work loads and the mechanics' performance in the five days preceding the airline's suspension of operations with a five-day period of September 7-12, during Rosh Hashana.

LESS REPAIRS

He said a total of 493 repairs of all types were needed during the Rosh Hashana period compared to 382 last week. But the greater number of repairs had resulted in only 12 delays, totalling 15 hours, compared to last week's total of 34 delays which added up to 79 hours.

Mr. Eshel said that the accumulated delays caused by what he termed the "deliberate go-slow strike" resulted in the complete snarling of El Al's schedules both at home and abroad, causing considerable damage to the carrier's reputation and undermining its reliability. Any attempt to continue operations under the circumstances would simply compound the damage already done.

Spokesman Arnold Sherman told the press last night that the management remained firm in its decision to suspend operations until it could resume flights under normal conditions. He noted that in 10 days' time the traffic pressure would ease and foreign airlines could cope with the demand without difficulty. Mr. Sherman said that they had been operating at an average 50-55 per cent capacity compared to the 80 per cent load carried by El Al.

Shots at patrol

Jerusalem Post Military Correspondent

A number of small arms shots were fired at a Defence Forces patrol near Dura, south of Hebron, at 9:30 on Friday night. Fire was not returned.

The area was combed but no one was found.

Difficulty in finding new Undof chief on Golan

By YORAM HAMISRACHI
Jerusalem Post Reporter

GOLAN HEIGHTS. — Undof commander General Jose Grisanyo of Peru completed his tour of duty last week and returned home, where he will assume a senior position on the General Staff.

No successor has been announced so far, and according to UN officials, Secretary-General Waldheim is having difficulty persuading countries to send a senior officer to the Middle East. The Canadians are refusing to take a major part in the UN military administration; the Peruvians will leave the Middle East some time in April, and Israel will not accept an officer from any country with which it has no diplomatic relations.

The temporary Undof commander is Austrian Colonel Herich Philipp. But relations between the Austrian commander and Israel are not good, especially after the Austrian accusation that Israel is to blame for the death of four

'Ginsberg arranged Discount Bank loan'

Jerusalem Post Correspondent

WASHINGTON. — Edward Ginsberg, the former UJA leader who lost his post after becoming deeply involved in the collapse of a \$100m. real estate conglomerate earlier this month, had arranged a loan of \$1.7m. to the ill-fated concern from the Israel Discount Bank of which he is a director, according to Friday's "Wall Street Journal."

Besides several other Jews involved in the bankruptcy, there was also a Catholic Texan named Thomas Hill, had become associated with the Jewish businessman, the "Journal" said. It added that Mr. Hill had visited Israel several times, met with Golda Meir and Moshe Dayan, and even "flew over an Israeli battlefield in an army helicopter."

Gaza collision leaves 4 dead

Jerusalem Post Reporter

GAZA. — Four Gaza residents were killed here on Friday afternoon when a tender in which they were travelling collided with a truck from Holon, whose driver was unhurt. The truck driver was held for questioning.

The four dead are Ahmed el-Bihl, 20, Agnan el-Nunu, 25, Ibrahim el-Shawa, 22, and Otman el-Amehi.

Israel urged to bar Bergman

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — A U.S. Congressman, Rep. Edward Koch, (D-N.Y.), has called Israel Minister of Interior Yosef Burg urging that New York nursing homes entrepreneur Bernard Bergman not be granted Israeli citizenship under the Law of Return, pending the outcome of Federal-state-city investigations into his alleged illegal use of government-funded Medicaid funds and gross neglect of his nursing homes.

"Israel should not let itself be used as a sanctuary for those seeking to escape from legal process initiated in democratic countries," Koch said in the telegram sent on Friday.

Bergman, who was reported to have gone to Israel earlier this month, is now said to be in Vienna, staying with relatives. He has been subpoenaed to appear before a U.S. Senate sub-committee examining the nursing homes scandal on January 21.

The investigation has led to a political issue in Israel, particularly within the National Religious Party because of Bergman's close ties with the Mizrahi organization in the U.S. and in Israel. Bergman is suspected of having donated substantial sums to Mizrahi and other Jewish organizations, as well as to political figures, from Medicaid payments to his nursing homes, designed to pay for the care of the elderly.

A three-month investigation by "The New York Times" and inquiries by New York's temporary state commission on living costs and the state's welfare inspector-general's office has disclosed evidence of widespread padding of bills, real estate transactions designed to raise Medicaid rates, apparent kickback and grave deficiencies of patient care.

Earlier this month the state health department said that it had conducted partial audits of 14 nursing homes "that are considered to be affiliated with the Bernard Bergman syndicate and had found \$1,186,933 in overcharges to Medicaid."

These included such items as liquor bills, parking fines, a college tuition fee, a new Chrysler and donations to political and religious organizations.

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Three returned to Lebanon

Jerusalem Post Military Correspondent

Three men from south Lebanon who were brought to Israel for questioning on suspicion of aiding terrorists were returned to Lebanon on Friday, the army spokesman reported. They were returned at the Rosh Hanikra border checkpoint.

The men were arrested on November 12, during an IDF raid on the village of Dahira, across the border from Haifa. They were released "on completion of the interrogation," the IDF Spokesman said.

Itim reports that the three men were brought to the border post at 10 a.m., wearing civilian clothes, and were handed over to Red Cross personnel.

Defence budget IL22,000m.

Jerusalem Post Reporter

Barring a last minute change in the agenda, discussion of next year's budget will probably be item number one at this morning's Cabinet meeting.

The IL55,000m. — plus budget was scheduled to be presented by Finance Minister Yehoshua Rabinowitz at last Sunday's session. However, a lengthy discussion on security matters precluded that.

But a IL5,000m. supplementary budget for the remainder was tabled, and this is expected to be approved today, and forwarded to the Knesset Finance Committee for the next step towards final approval.

At the beginning of this year, the budget was IL36,600m. Approval of the supplementary item will bring it over the IL42,000m. mark.

Meanwhile, it has been learned that a compromise has been reached on the Defence Ministry's bite out of the 1975/76 budget. A three-man committee of Cabinet Ministers — Rabin, Rabinowitz and Peres — has been meeting continuously to hammer out differences between Defence's request for approximately IL25,000m. and the Treasury's recommendation for IL20,000m. The reported meeting of minds places the proposed allocation at IL22,000m.

Last month's devaluation has already delayed progress on the budget by about a month. As a result, an interim budget in February is a certainty, a Treasury official told The Jerusalem Post.

Bangladesh emergency

DACCA (AP). — Bangladesh Prime Minister Mujibur Rahman declared a nationwide emergency yesterday and assumed the right to rule by decree to cope with runaway lawlessness and economic havoc.

Sheikh Mujib, the firebrand orator who led the nation to independence from Pakistan only three years ago, acknowledged that his government was unable to handle the crisis under normal constitutional conditions.

As he often has in the past, he blamed his troubles on "collaborators of the Pakistan army, extremists and enemy agents in the pay of foreign powers."

His proclamation made Bangladesh the fourth country on the Indian sub-continent to be brought under emergency rule suspending basic



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Drones now part of Air Force after use in Yom Kippur War

Jerusalem Post Military Correspondent

Plotless aircraft carried out numerous missions during the Yom Kippur War and are today an integral part of the Israel Air Force, according to the latest issue of the IAF's official journal, "Heil HaAviv".

The magazine says that one of the types of drones is a special model of the Firebee, built by the American Teledyne Ryan corporation to the IAF's specifications at a cost of \$500,000 each. The other type of drone mentioned in the article is the smaller Chukar, manufactured by Northrop, which costs \$30,000.

The magazine says that the IAF decided to acquire drones during the war of attrition on the Suez Canal in 1970, when Egyptian missiles downed a number of Phantom jets. The magazine mentions only re-

connaisance missions carried out by the IAF's drones. But new models which can also carry out offensive operations have been developed in the U.S.

Because of its lower price, the Chukar is used for more risky missions. The fact that it is smaller also makes it a more difficult target for enemy interceptors and anti-aircraft missiles.

The Chukar's launching and control system is also much less complicated than those of the Firebee and require smaller crews. The Firebees land systems are mobile, but complex, while the Chukar's are limited enough to be operated under almost any conditions by a very small team.

Both drones are radio-controlled, powered by turbojet engines and recoverable.

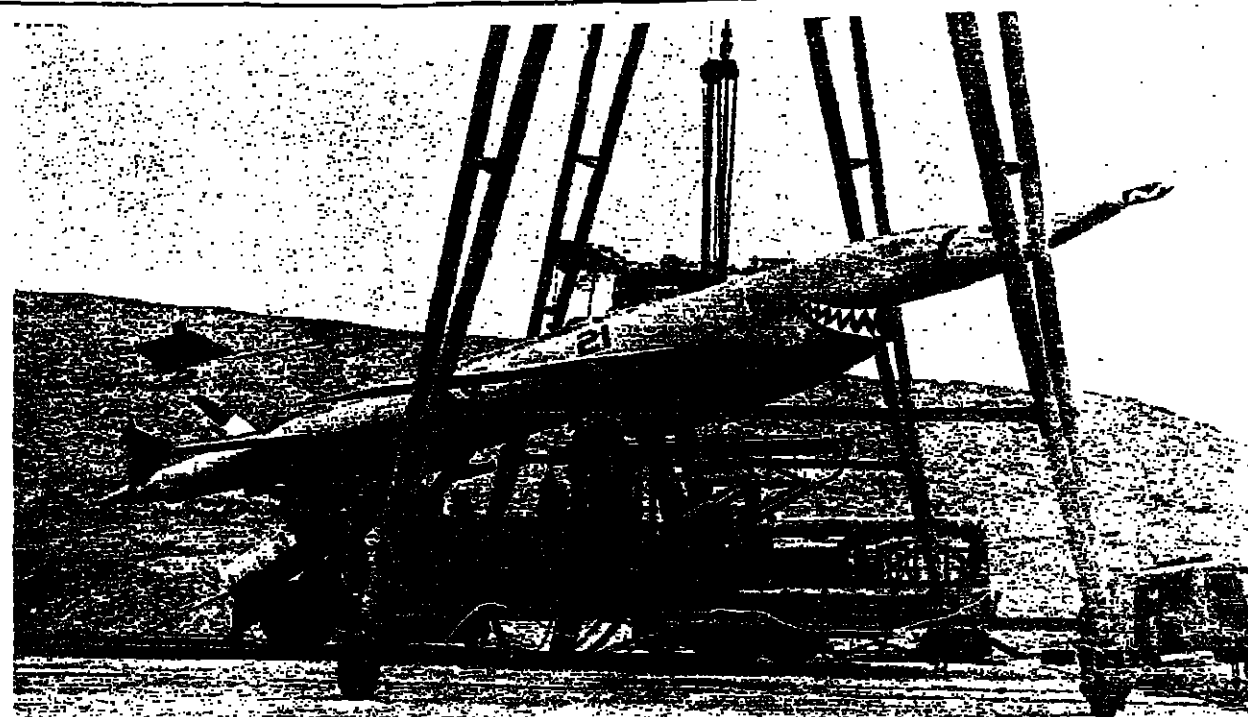
The Firebee, which has a range of up to 2,000 kilometres, in effect can cover the entire Middle East

combat arena, according to the magazine.

The drones were used over both Syrian and Egyptian territory and brought back valuable film of airfields and military installations, the magazine says. They survived heavy barrages of missiles and attacks by enemy planes, and only two were lost in the war. One Chukar fell intact in Egypt and was put on public display.

One mission was carried out with a drone whose automatic, programmed flight route broke down shortly after launching. The controller decided to continue manually and he guided the craft and operated the camera for over 90 minutes, until it landed safely with photographs of Egyptian airfields and military concentrations.

On a number of occasions air raid alarms were sounded in Egyptian cities, including Cairo, when the drones were flying over them, the journal relates.



The U.S.-made Firebee drone, which has been in service with the Israel Air Force, shown with shark's teeth painted on by IAF service crews.

Social and Personal

Police Minister Shlomo Hillel and Southern District Commander Nitzan (Haim Tabori) Friday visited Semel-Shani Meir Levi and Mr. Reuven Sharan, who are recovering at Jerusalem's Shaare Zedek Hospital from injuries they received in the explosion of a terrorist bomb on the capital's Rehov Ben Yehuda last week.

The Austrian Health Minister, Dr. Ingrid Leodolter, arrived at Ben-Gurion Airport on Friday together with her husband, Senator Dr. Joseph Leodolter, and a group of seven friends. The group are here on a private visit and vacation.

Mrs. Shulamit Kahane, former personal secretary of the late President Zalman Shazar, has been appointed director of the office of Minister-without-Portfolio Gideon Hausner.

The executive committee of the Jerusalem Journalists Association has elected Daniel Bloch as chairman and Zvi Yisrael as deputy chairman. Yitzhak Nuriel was named Secretary; Asher Waldfish, treasurer; Judy Peres, chairman of the external relations committee; David Sagiv, chairman of the professional affairs committee; Yitzhak Schorr, chairman of the membership committee. Other members of the executive committee are Amos Ben Vered and David Eppel. Haim Yefet was reappointed director of the Association and Zeev Aalebaum secretary of the Association.

The Sharon Hotel, Herzliya-on-the-Sea, announces its annual dinner-dance to be held on December 31. Music by Monty-Rony's orchestra. Games and surprises. Dinner with wine — IL\$5 per person (tax included). At the Apurion Bar — IL\$40 per person (tax included) for first drink (with goulash soup after midnight). (Adv.)

Fashion furs: — Rosen's fur Salon, 72 Allenby Road, Tel Aviv. Tel. 615990.

Philosophy symposium to honour Rotenstreich

A three-day symposium on the Philosophy of History and Action in honour of the 60th birthday of Hebrew University philosophy professor Nathan Rotenstreich opens at the Van Leer Foundation in Jerusalem today. The symposium is organized jointly by the Israel National Academy of Sciences and the Van Leer Foundation.

Histadrut may 'drop' El Al technicians

By SHAYLA SHAPIRO
Jerusalem Post Reporter

TEL AVIV. — The Histadrut Executive will be asked at a meeting this morning to waive professional protection for the El Al maintenance workers, The Jerusalem Post learned yesterday. Secretary-General Yeruham Meshel has called an urgent meeting of the Central Committee for 8 a.m. today to formulate a motion to this effect. The Executive has a meeting scheduled for 10 a.m. to consider next year's budget, but the issue of the maintenance workers will take precedence. According to Histadrut rules, the Executive must sanction moves aimed at retracting professional protection from any group of workers.

Mr. Meshel is expected to argue that the technicians have virtually discarded Histadrut authority by refusing to accept the Histadrut ruling in their dispute with El Al management.

At noon on Friday Yehoshua Woschnia, who handles El Al workers' affairs for the Histadrut, sent a letter by special messenger to

Ben-Gurion Airport, suggesting that the Histadrut initiate a meeting between the workers and management. However, he wanted an understanding from the technicians that they would abide by the Histadrut's ultimate ruling. The technicians answered that they wished nothing better than a meeting with the management, but the clause about accepting the final authority of the Histadrut was ignored.

Mr. Woschnia then sent another letter, asking the committee of the technicians for a specific written answer on this point. No answer had reached the Histadrut by yesterday.

Mr. Meshel told The Post that he understood workers might have grievances — "and they should not be penalized because they work for the government." "We expect Histadrut members to handle their demands through the Histadrut channels, and to abide by the decision the Histadrut considers to be just after consideration of all aspects of the case. The Histadrut is not a lawyer hired to defend the client's point of view, whatever the merits of the case."

Jewish nightmare may be repeated — Eli Wiesel

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Eli Wiesel, the distinguished author who survived the Nazi Holocaust, believes that "the idea of another catastrophe" for the Jewish People "is no longer unthinkable."

In an article in yesterday's "New York Times," Wiesel said, "For the first time in my adult life I am afraid that the nightmare which has never ended, that since 1945 we have lived in parentheses. Now they are closed."

Wiesel pointed to "unmistakable" signs that "it could happen again." Some of these included UNESCO's anti-Israel resolutions, PLO leader Yasser Arafat's warm reception at the U.N., "the dramatic solitude of Israel," the anti-Semitic remarks of U.S. Chief of Staff Gen. George Brown. He added: "Anti-Semitism has become fashionable once more both in the east and in the west."

He said that he does not foresee "the possibility of Jews being massacred in the cities of America or in the forests of Europe... But there is a certain climate, a certain mood in the making."

"Despair is no solution. I know that. What is the solution? Hitler had one. And he tried it while a civilized world kept silent. 'I remember and I am afraid.'"

Police apply lessons of terror attacks

TEL AVIV. — Police Inspector-General Shaul Rosolio said over the weekend that the police have already learned most of what they have learned from investigating the recent Tel Aviv cinema and Jerusalem street bombings. He added that there has been no negligence. Mr. Rosolio was interviewed on the Weekly Newstead radio programme yesterday. Discussing the difficulties still encountered in the organization and operation of the Civil Guard, Mr. Rosolio said that they were to be expected in any hastily-mounted operation of that nature.

Physicist Voronel en route to Israel

VIENNA (AP). — Physicist Alexander Voronel, a prominent Soviet Jewish dissident, was reported waiting here yesterday for a flight to Israel following two years of waiting for a Soviet exit visa. The Soviet scientist was among a group of dissidents who were temporarily arrested last summer for planning an international scientific seminar when former U.S. President Richard Nixon visited the Soviet Union.

Safe with IL\$120,000 stolen in Capital

A safe containing IL\$120,000 worth of jewellery and cash was stolen from a jewellery shop in the centre of Jerusalem on Friday night. The police said that the burglars, after neutralizing the shop's alarm system and breaking the locks, loaded the heavy safe onto a waiting truck and drove off. The truck was stolen, as well as a car which they had used. The empty safe and the two stolen vehicles were also found in the Kiryat Yovel area yesterday. The safe had been opened with a sledgehammer.

Labour denies Zarmi row over financing

By MARK SEGAL
Jerusalem Post Political Reporter

TEL AVIV. — Labour Party sources last night denied that Party Secretary-General Meir Zarmi had taken leave in protest at the Party's financial insolvency. The sources said Mr. Zarmi will be back at his office at Party headquarters on Rehov Hayarkon this morning.

Recent reports said Mr. Zarmi had returned to his kibbutz, Ma'ayan Zvi, after promises to give him the necessary revenue to run the Party were not kept.

It is understood that Mr. Zarmi found the Labour Party's revenue — from the Histadrut political tax and its share in state financing of political parties — had been mortgaged for old Party debts, especially those incurred during last year's election campaign.

Mr. Zarmi had received promises of help from various Party leaders, according to sources, including Prime Minister Yitzhak Rabin, Jewish Agency Chairman Pimhas Sapir and Finance Minister Yehoshua Rabinowitz. But despite the promises, there were few results.

One of the difficulties, Party sources said, is the tension between Finance Minister Rabinowitz and Bank Hapoalim chief Ya'acov Levinson.

One of the problems facing Zarmi is the complicated financial structure

of the Labour Party's economic subsidiaries. Although the Labour Party was formed in 1968 as a result of a merger between Mapai and the two smaller parties Rafi and Ahdut Ha'avoda, the financial assets of Mapai do not belong to the Labour Party. They are still registered under the name of Mapai nearly seven years after the Party merger.

The Mapai assets include a real estate company, Batai Arlosoroff Ltd., controlling choice pieces of real estate throughout the country, and the Mapai publishing house. Other Mapai interests cover a range of businesses.

Mapai sources claim the Labour Party is still suffering financially from the debts which the two smaller parties brought with them. Ahdut Ha'avoda, they said, brought only debts after its assets reverted to the Kibbutz Ha'meuhad Federation.

Labour Party sources hoped that the efforts of agriculture director David Kalderon to save the Party's financial situation would be successful. Mr. Kalderon, a former Labour Party organizational chief, is regarded as a power in Party politics. He is close to all the top Party leaders, and he is credited with amassing the necessary votes for Mr. Rabin's nomination to the Premiership at the Labour Party Central Committee.

'Vatican plea on Capucci to be rejected'

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — Justice Minister Haim Zadok indicated on Friday that Israel will reject an anticipated request by the Vatican to free Archbishop Hilarión Capucci, the Greek Catholic prelate sentenced to 12 years' imprisonment for smuggling arms and explosives into Israel for the Fatah.

Until now only the Greek Catholic church has officially requested the Archbishop's release, although the Vatican has put out feelers. A well-placed Government source said in Jerusalem on Friday that "here and in various places abroad we're being asked, 'what's going to happen?' and 'what are you going to do, with him?'"

Mr. Zadok, speaking to the Commercial and Industrial Club here, said Capucci's release or deportation "is not on the agenda" and "there are no negotiations" in the matter. He pointed out that "this matter belongs to the sphere of Israel's fight against terror, not Israel's relations with the Catholic Church and Christian communities."

German Liberal group here

B-G AIRPORT. — A delegation of the German Free Democratic (Liberal) Party toured the Golan Heights and Galilee yesterday after arriving here on Friday night.

The six-member delegation, which is here as guests of Israel's Independent Liberal Party, is headed by party secretary-general Martin Bangemann, who is a member of the German Bundestag. The Free Democrats are members of the West German coalition government.

The delegation is to meet with Foreign Minister Yigal Allon and other Government leaders.

High school pupils visit De Jean

A delegation of high school pupils Friday visited De Jean Rogelio, 16, who is recovering at Hadassah Hospital after her right leg was amputated following last Sunday's grenade attack on a tourist bus at the village of Asariya. The pupils, all about De Jean's age, wished her a speedy recovery.

The Tourism Ministry, meanwhile, is putting De Jean's parents at a hotel in the capital and looking after their transportation to and from the hospital daily. The Ministry will also cover all the expenses of the family's return trip to the U.S. (Itm)

Israel asked to bar Bergman

of neglect in nursing homes, has repeatedly called for exposure of such terrible treatment of the elderly.

John Hess, the investigative reporter of "The New York Times" who has written about 40 articles over the past three months exposing alleged gross misconduct, is said to have been inspired to begin his examination of the scandal by the AJO document, which was drafted by Dr. Martin Hochbaum, an urban studies specialist and its staff. Hochbaum's report did not reveal the Bergman connection, which was initially reported by Hess in the "Times."

Lately, there have been charges of anti-Semitism levelled against Hess because of his reporting. An article published earlier this month in the "Jewish Press," a New York weekly newspaper which is considered closely associated with Orthodox Jews in America, charged that Hess "concentrates only on the nursing homes that are under Jewish management but fails to mention hundreds of nursing homes that are not under Jewish ownership."

Hess replied in a letter to the editor that he had been assigned to investigate nursing homes in New York City, and was "immediately disturbed to find that all of the scandals involved Jews, all claiming to be orthodox, some of them rabbis or otherwise prominent."

"I telephoned Stanley Lowell, lawyer and Democratic lobbyist for the industry (also a former deputy Mayor of New York and now chairman of the National Conference on Soviet Jewry) and told him of my concern. I asked him to name some operators who are not Jewish, so I could investigate them too. He could not for the simple reason that the Bergman clan held a total stranglehold on the industry... nevertheless, Lowell's colleagues have been circulating copies of your defamatory article charging me with anti-Semitism."

Hess added: "Every community has its scoundrels, and no civilized person will condemn a whole community for the wrongdoings of a few. But when a leading Jewish

publication embraces a band of men accused of the most dreadful conduct, and accuses their critics of anti-Semitism, then it suggests to the ignorant that all Jews are responsible."

Meanwhile, the scandal continues to develop. The temporary state commission reported on Friday that Rabbi Bernard Twersky, a prominent publication man for the Israeli organization in America and the Rabbinical Council of America, had received \$12,000 in public relations fees last year from three nursing homes. The funds, reimbursed by Medicaid, were listed as "legal fees," the commission said.

Twersky, a well known American Jewish personality and a close associate of Bergman, told "The New York Times" yesterday that Twersky Associates was a public relations concern based in his house. He said that he had been paid for "professional advice," but he declined to specify its nature. "From where the money comes, I'm not responsible," the "Times" quoted him as saying.

An official of the state health department said that if the fees had been listed as publicity, instead of "legal fees," Medicaid could not have paid for them. In other recent developments, the Senate sub-committee last week asked Stanley Steingut, who is scheduled to become speaker of the New York State Assembly in Albany, and Meade Elposito, a prominent Democratic leader in Brooklyn, to describe their involvement with the nursing homes industry at the January 21 hearing.

These new subpoenas followed the decision of the Senate sub-committee to broaden its inquiry to include alleged political influence that may have protected abuses and allegations that organized crime was connected with the industry.

Rocco Scarfone, an alleged associate of Joseph Colombo, Sr., the reputed underworld figure, is reported to have lived in the penthouse of a Bergman nursing home in New York. Federal agencies are showing interest in the suspected investment by Meyer Lansky in nursing homes in western New York; the "Times" reported last week.

We announce with deep sorrow the death, on December 26, 1974, of our beloved father

SAMUEL SCHIMMEL

The funeral took place in Jerusalem on December 27.

Herbert, Leonard, Bernard, and Nathaniel Schimmel and Ruth Geiger.

Our profound condolences to Prof. LEO SACHS on the passing of his

MOTHER

The Genetics Department and the Staff of the Weizmann Institute of Science

With deep sorrow we announce the passing of my beloved wife, our mother and grandmother

LOTTIE SACHS

Deeply mourned by her husband, sons, daughters-in-law and grandchildren ELIAS SACHS, London Sons Max, Leo and Geoffrey Shiva in London

The Ashara and unveiling of the tombstone for our beloved mother and grandmother

MARTA WIENER

will take place on Tuesday, December 31, 1974, at 2.30 p.m. at Holon Cemetery.

We will meet at the entrance of the cemetery at 2.15 p.m.

Manfred Wiener and Family

The unveiling of the headstone for **RACHEL ROSEN**

of Johannesburg will be on Tuesday, December 31, 1974, at 3 p.m., in the Savoyon cemetery.

The Family

The Board of Directors, management and personnel of the

ISRAEL SHIPYARDS

sincerely mourn the passing of their Deputy-Managing Director of Finance

RUDOLF LOEWENSTEIN

The funeral will take place today, Sunday, December 29,

from the Rambam Hospital, at 1.45 in the afternoon, for

the New Cemetery at Kfar Samir, Haifa.

The Shah denies Iran would fight with Arabs

The Shah of Iran told a Cairo newspaper on Friday that Iran would not fight on the Arab side in the event of a new Middle East war.

The Shah was quoted in "Al-Ahram" as saying: "Of course Iran is not thinking of participating in the fighting. You are aware of geographical and other obstacles. Our sentiment will certainly be on your side."

The Iranian leader said he had been misinterpreted in an interview two weeks ago with a Beirut weekly in which he appeared to have said that his country would fight with the Arabs in a new war. In that interview, with "Al Hawadess," the Shah was quoted as saying that all Islamic countries would be involved in a new war with Israel. Of course, we would have no choice this time. That war would be ours.

In another interview, to be published in Paris today, the Shah reportedly says that Iran's loans to major Western nations proved that he was not seeking "the destruction of the Western world. How could I wish that destruction, I belong to that world, after all. That is why I help it when I can," he told the news magazine "Le Point," which featured him on its cover as "man of the year."

The Shah said the economic crisis in the West had resulted because the West was poorly governed. Oil price rises were responsible for at most two per cent of the 20 per cent inflation over the last year in the West, he said. The internal situation of Western nations and their political systems was the main cause.

He said he had had "the greatest pleasure in advancing \$1,000m. to France and \$1,200m. to Britain, and also investing in (the Krupp Steel Company in) West Germany."

"It is a proof that I in no way wish your decline." (AP).

Shah's ties with Egypt are meant 'to counter any Soviet-Iraq threat'

JERUSALEM POST REPORTER TEL AVIV. — The Persian Gulf countries are likely to maintain a pragmatic attitude and save the area from conflagration such as between Iraq and Iran. This was the opinion of an Iranian-born American Professor, Roushollah K. Ramazani, of the University of Virginia, at the "Colloquium on the Middle East 1974" being held in Tel Aviv by the Shiloah Centre for Middle Eastern and African Studies.

However, Prof. Mordechai Abir, of the Hebrew University, argued at the colloquium on Friday that the opposing political ambitions in the area might cause the delicate balance of power to collapse suddenly.

Most of the experts who took part in the discussion believed that

concern for oil markets would restrain Iraq and Iran and prevent an armed conflict.

Prof. Ramazani said that Iran's attitude to Israel might not be affected by Tehran's rapprochement with Egypt. The Shah's policy was to seek "a security perimeter around the Persian Gulf, without the interference of any outside power. The re-establishment of diplomatic relations with Egypt was a move to counteract any Russian threat through Iraq."

Prof. Ramazani said, "It is clear from the Shah's recent statements that as long as the Soviet Union continues its naval build-up in the Indian Ocean, the U.S. should not be shy about coming into the Indian Ocean too."

\$2.5m. offered for \$8.5m. claim on Rosenbaum

By DAVID KRIVINE

JERUSALEM POST Economic Correspondent

The coming board meeting of the Israel Corporation, due to be held next month, will decide whether to press ahead with court proceedings against Dr. Tibor Rosenbaum, or accept an offer by Mr. Shaul Eisenberg, the international financier, to buy the Corporation's claims on Rosenbaum for \$2.5m. Eisenberg's offer was submitted to the Corporation's executive committee last Monday.

Mr. Eisenberg has made it known that he would prefer the Israel Corporation to join the creditors' consortium and cooperate with Bank Hapoalim, which has expressed readiness to organize a rescue operation. But Baron Edmond de Rothschild, the chairman, is against this, and Eisenberg has suggested as the next best option that he buy the Corporation's \$8.5m. claim on Rosenbaum for \$2.5m. The Corporation would then cease to be a creditor, and this would remove the last obstacle to forming the consortium.

A committee of three, Ya'acov Brin, Wolf Cegla and the managing director of the Corporation, Israel Gal-Ed, are examining Eisenberg's proposal, and will make their recommendation to the next board meeting. They are waiting for Eisenberg to come from abroad to discuss the subject with him in greater detail.

Circles close to Eisenberg point out that no creditor other than the Israel Corporation has sued Rosenbaum so far. "Mr. Eisenberg has pressed that the board meeting which promises to be a showdown between himself and the baron — should take place in Tel Aviv, and not in Paris, as scheduled. "This is an Israeli company and it should meet in Israel," he said. Over half the board members are Israeli residents, although most of the capital is foreign-owned.



The British Ambassador, Sir Bernard Ledwidge, left, with Chief of Staff Mordechai Gur and his wife at the premiere of the thriller "Murder on the Orient Express" at Tel Aviv's Studio Cinema last week. All proceeds from the showing, held under the patronage of Sir Bernard, went for Wico children's institutions. The film is based on a book by Agatha Christie. (Dekel)

Sex-slavery theory discarded Three suspects held in murder of girl soldier

By YA'ACOV ARDON

JERUSALEM POST Reporter

HAIFA. — The police and the Magistrates Court have imposed a temporary news black-out on three arrests made last week and unexpected developments in the investigation of the murder of Rachel Heller, the 19-year-old girl soldier of Bat Yam. Her naked body was found in the sand dunes of Caesarea over two months ago. More arrests are expected this week.

The post-mortem examination established that she was knocked unconscious on her head with a heavy blunt instrument and then strangled with a nylon string. Because of her condition, the police at first assumed that she was the victim of a sexual assault. Many suspects were questioned. Some were detained, but released when they either produced alibis or when no evidence could be found against them.

The Haifa police set up a new team of detectives in the middle of this month, and this group discarded the assumption of a sex murder. They started out with the facts: she was last seen near the Central Carmel on the afternoon of October 23, dressed in shorts, and her body was found the next day near Caesarea, with no conclusive evidence of rape. The detectives concluded that she must have met one or more persons in a car whom she knew and that she accepted an invitation to join him or them for a trip.

The detectives began to again check all of the girl's acquaintances and their movements on October 23. Last week's arrests indicate that they made some headway in their investigation. Many suspects were questioned. Some were detained, but released when they either produced alibis or when no evidence could be found against them.

The girl's friends and possibly even about the murder. One possibility considered was that the girl was jealous of Rachel Heller for going out with a young man who was her friend.

On Thursday, two more persons, another girl soldier and a young man, were arrested and remanded by the magistrate. The police also obtained a court order against publication of the names of the suspects or of any details of the investigation. All that could be learned was that the police found clues believed to belong to Rachel Heller in the apartment of one of the two girls now being held.

Rachel Heller was taking a course for youth instructors at the Rutenberg Centre on Mt. Carmel at the time of her death. On October 23 she was at home in Bat Yam. In the afternoon she said goodbye to her boyfriend, Ramat Gan, who saw her leave for Tel Aviv on her way back to Haifa. They had arranged to meet the next day at the Rutenberg Centre for an end-of-course party.

She is known to have arrived at the Rutenberg house in the evening, to have changed clothes and to have gone out. When she failed to attend the party the next day, her mother and boyfriend informed the police.

About the same time the Haifa police received a report from a watchman on horseback that he had seen the body of a woman lying in the sand. The body was taken to the pathological institute in Haifa where the family identified her.

Rugby: TAU and Technion win

By JACK LEON

JERUSALEM POST Sports Reporter

TEL AVIV. — Tel Aviv University and Haifa Technion both scored decisive victories in yesterday's National Rugby League matches. Tel Aviv University won 30-6, the biggest win since the inauguration of the competition three years ago. The Technion defeated Ramat Gan 19-6.

At Givat Ram, Tel Aviv's centre, McAviney, in three tries, one of them a brilliant sprint from the halfway line, against a weakened Hebrew University XV. It was the Tel Aviv team's third straight win of the season.

1. Hakoah	15-19	13
2. Tel Aviv Maccabi	21-13	11
3. Hapoel Be'er Sheva	12-11	11
4. Bnei Yehuda	7-17	8
5. Petach Tikva Maccabi	6-20	7
6. Tzur Hapoel	5-16	6

STANDINGS — LEAGUE "A"		
SOUTH LEADERS		
1. Ramat Amir Maccabi	24:10	18
2. Bat Yam Hapoel	23:14	18
3. Bishon Lezion Hap. (12)	26:14	16
4. Yehuda Hapoel	16:9	16
5. Shaarayim Maccabi	24:23	15
6. Holon Hapoel	16:13	15
NORTH LEADERS		
1. Haifa Maccabi	17:7	20
2. Acre Hapoel	22:7	18
3. Bnei Yehuda	21:13	18
4. Heraliya Maccabi	18:13	14
5. Tzur Hapoel	11:11	13
6. Netanya Hapoel	12:16	13

Ipswich jumps into the lead

Ipswich jumped into the leadership of Division One with a 1-0 win at Birmingham yesterday, but only on goal average.

Also on 30 points, and in second

Birmingham 0, Ipswich 1	
Burnley 2, Queslie 1	
Chelsea 0, Queen's Park Rangers 3	
Everton 1, Middlesbrough 1	
Leicester 0, Leeds 0	

Basketball results

JERUSALEM POST Sports Reporter

Results of National League basketball games over the weekend:

Haifa Hapoel 68, Jerusalem Hapoel 72

Jerusalem Hapoel 67, Tel Aviv Hapoel 69

Afula Hapoel 59, Givat Ram Hapoel 54

Givat Ram Hapoel 51, Kiryat Haim Hapoel 67

Tel Aviv Maccabi 128, Megido Hapoel 50

Ramat Gan Hapoel 57, Haifa Hapoel 58

Mid-week results:

Haifa Maccabi 61, Givat-Yagur 68

Hotel owners in Safad seek aid

JERUSALEM POST REPORTER

SAFAD. — Hotels in Safad are half-empty and the owners are pleading for a moratorium on their taxes and for various forms of government aid. "Without that, the entire branch will face liquidation," a statement by the association of the owners said on Friday.

The owners of 15 hotels cited occupancy figures showing that bookings during the July-September season were less than half of those in the same period of 1973.

"The government and national institutions should use their influence to hold conferences and meetings in our town; it is as quiet and safe here as in any other town," the hotel owners said.

The chairman of the Hotel Owners' Association, Moshe Stern, said that the last summer season had been the worst for 14 years. Even during Shvut and Rosh Hashana the bookings had been unsatisfactory.

Commenting on Tourism Minister Moshe Kol's proposal to set up casinos in Eilat and Mitzpeh Ramon, he said that Safad was in greater need of help than Eilat.

Bonn tourist office opens in Tel Aviv

JERUSALEM POST Travel Correspondent

The decision to open a branch of the German National Tourist Board in Israel was prompted by the considerable and continuing traffic of Israelis to West Germany, according to the head of the new office in Tel Aviv, Itzhak Zaroni.

Over 50,000 Israelis visited Germany from the beginning of the current year to mid-November, one-third of them carried by Lufthansa and the bulk by El Al. This represented a 25 per cent increase over the corresponding period of last year, he told *The Jerusalem Post*. The World Football Cup series was only one factor in the increase he added, pointing to the growing two-way trade between Israel and Germany as an important stimulant to the traffic.

Another constant draw were the scores of international exhibitions, covering a wide range of themes. Next year no fewer than 115 international exhibitions are to be held in West German towns.

There is also a growing exchange between West German and Israeli professional people.

Mr. Zaroni said the main task of his travel bureau, located at the Lufthansa main offices on Rehov Hayashon in Tel Aviv, would be to publicize events of international importance in Germany with a view to promoting Israeli travel. In addition, it will seek to promote interest in West Germany's still little-known attractions as a tourist centre.

Winter university opening in T.A.

JERUSALEM POST REPORTER

TEL AVIV. — Tel Aviv University and the municipality are to open a "Winter University" in January which will specialize in popular lectures on topical issues but will not give any academic credits.

Among the topics to be featured in the first semester will be the Palestinian problem, Who and what is a Jew? the impact of the mass media on society, and the 100th anniversary of Impressionism.

The lectures will be given by university staff and each series will comprise 14 lectures. They will be given in the evening hours in various auditoriums in the town.

Registration is at room 1148 in city hall, between 8.00 a.m. and 2.00 p.m., or by letter. The cost of each series of lectures is IL85.

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Europe leader arrives

B-G AIRPORT. — The President of the European Parliament, Cornelius Berkhout, arrived here yesterday with his wife for a week's visit as guest of the Knesset and the Foreign Ministry. Mr. Berkhout was said on his arrival, that his visit was an expression of the good relations that had existed for years between the Common Market countries and Israel.

Mr. Berkhout is the fourth president of the European Parliament to visit Israel, but Foreign Ministry officials said yesterday that the present visit assumes special importance in view of the agreement just reached for cooperation between Israel and the Common Market.

Mr. Berkhout is to meet with President Katzir, Premier Yitzhak Rabin, Foreign Minister Yigal Alon. Tomorrow he will be the guest at a special Knesset reception. He will also lecture on the Common Market at Tel Aviv University.

The guests had planned to arrive by El Al on Friday, but due to the strike arrived by Alitalia yesterday.

Eban back

BEIR-GURION AIRPORT. — Former Foreign Minister Abba Eban returned here Friday afternoon after a stay of several months in the U.S. The Labour Knesset Member, whose extended absence had led to some criticism in his Party, had been giving a course of lectures on Middle Eastern nationalism at New York's Columbia University. (ITHW)

tourists

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RAMAT HASHARON

70 Rehov Sokolov

Tel.(03) 774344 774244

HERZLIYA PITUACH

Kikar Rivlin (opp. Tiron Hotel)

Tel.(03) 930261/2

HERZLIYA

11 Rehov Sokolov Tel.(03) 930258

RAANANA

153 Rehov Ahuzat Tel.(03) 926276

SAVYON

54 Rehov Hamagdal Rimon

Tel.(03) 757281

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Malawi President Dr. Kamun H. Banda with Israel's new Ambassador to Malawi, Shmuel Lior, after the envoy had presented his credentials at State Lodge in Blantyre earlier this month. President Banda reiterated his belief in the need for dialogue and direct negotiation, as opposed to confrontation. He thanked Mr. Lior for Israel's appreciation of Malawi's consistent support and friendship. (Malawi Information Department)

'Upstarts' move point clear in National League

By PAUL KOHN

JERUSALEM POST Sports Reporter

TEL AVIV. — Tel Aviv Shimshon, the Yemantei quarter team which only gained promotion to the National League this season, yesterday moved one point clear at the top of the First Division table following a 1:0 win over Tel Aviv Betar at the Bloomfield Stadium.

The three nearest challengers were all involved in drawn games. Petach Tikva Maccabi held last season's champions, Netanya Maccabi, to a 0:0 draw, the point it won yesterday taking it off the bottom rung. That spot is now filled by Tel Aviv Hapoel, 0:2 losers to Beersheba Hapoel in the Negev capital.

Kfar Saba Hapoel at home, and Haifa Hapoel parted 1:1 in the best match of the day.

In the needle match in League "A", Bishon Lezion Hapoel and Bat Yam Hapoel drew 1:1, which enabled Ramat Amir Maccabi, 4:0 winners over Lod Hapoel, to go to the top of the table on goal average.

Haifa Maccabi continues to set the pace in the northern division, ahead of Acre Hapoel, following a 3:1 win over Nazareth Hapoel. Shimshon played its third consecutive game at the Bloomfield Stadium, and collected five points from this sojourn in Jaffa. Shimshon, led by Yehet, Damit and Massari, attacked persistently and only good midfield play by Betar and Yehuda Pines in goal kept the score down to a one-goal margin. The only goal of the game was scored by Gideon Damit in the 58th minute with a shot from 12 metres.

Thirteen thousand at the same stadium saw Petach Tikva Maccabi return its third consecutive draw. The Petach Tikva side might have taken both points had Spoknik, Itzhak and Seltzer taken their scoring chances. Netanya Maccabi were disappointing, and only Spiegler showed flair. The openings he laid on were wasted by Machness and Lavi, who clearly had an off day.

Kfar Saba Hapoel opened in fine style but were held by the Haifa Hapoel defence. Led by Bendet and Engelder, the Haifaite frequently broke away to spell danger to the home goal. Yoel Lifshitz gave Haifa Hapoel the lead after 26 minutes when he headed in a pass by Yitzhak Engelder. Kfar Saba Hapoel, encouraged by an enthusiastic home crowd, pressed for the equaliser and were rewarded by an Aris Ben Ari goal in the 60th minute. With the scores level, both sides pressed for the winner, providing the 4,000 fans with some of the most exciting football seen in Kfar Saba this season.

Also in Beersheba, the local fans saw a fine performance by the home side. Beersheba Hapoel ran rings round Tel Aviv Hapoel, but it was not until the 46th minute that Rafi Eliahu opened the scoring with a shot from close range. Efraim Zvi put the result beyond doubt with a second goal in the 62nd minute. Five thousand saw Beersheba Hapoel in top form, and poised now within two points of the leadership.

Jerusalem Betar beat Tel Aviv Maccabi 2:1 in Hadera in its last "home" game played outside Jerusalem, and without spectator attendance. Its next home game will be at the YMCA Stadium. Betar fully deserved its return to winning form

yesterday, outplaying Maccabi in midfield. Uri Malmilian and Victor Levy were best for the Jerusalemites. David Ishay gave Betar the lead after 23 minutes and Shalom Avitan added a second goal in the 60th minute. Veteran winger Rahamin Talbi pulled back a goal for the Tel Avivites in the 85th minute.

At the same ground, Jerusalem Hapoel had less luck than their town mates, their 0:1 defeat by Hadera Hapoel ending a run of three victories. The home side fully deserved its narrow win, and only Haim Levin in goal saved the Jerusalemites from a heavier defeat. Eli Ben Rimzi was best for the visitors, but found Yoel Shoham too good in the Hadera goal. The winning goal was scored by Hadera defender Haim Tal in the 44th minute, with a fine shot from 12 metres out.

Moshe Onana scored Jaffa Maccabi's winner in the 1:0 victory over Ramat Gan Hakoah in the 80th minute at Givat-Yagur. Also, Petach Tikva Hapoel returned to winning form after eight games in beating Bnei Yehuda 2:0. Only a last-minute goal by Gadi Zelniker assured Petach Tikva Hapoel its win, as Bnei Yehuda pressed to equalise Eorla Norman's goal in the 40th minute. Yitzhak Visker played an outstanding game in the Petach Tikva goal, to keep out Bnei Yehuda's Ehud Ben Tovim, Alon Zuberi and Yigal Asasa.

NATIONAL LEAGUE STANDINGS AFTER 13 GAMES:

	Goals	Pts.
1. Tel Aviv Shimshon	16:8	19
2. Netanya Maccabi	21:16	18
3. Kfar Saba Hapoel	17:12	18
4. Haifa Hapoel	21:17	17
5. Beersheba Hapoel	15:10	14
6. Jerusalem Hapoel	15:10	14
7. Hadera Hapoel	14:12	14
8. Jerusalem Betar	12:12	13
9. Petach Tikva Hapoel	14:12	12
10. Jaffa Maccabi	14:15	12

Ipswich jumps into the lead

Ipswich jumped into the leadership of Division One with a 1-0 win at Birmingham yesterday, but only on goal average.

Also on 80 points and in second place is Middlesbrough, who could only manage a 1-1 tie at Everton. It was Everton's 13th draw of the season.

Results of Division One matches in the English League:

	Goals	Pts.
1. Tel Aviv Shimshon	16:8	19
2. Netanya Maccabi	21:16	18
3. Kfar Saba Hapoel	17:12	18
4. Haifa Hapoel	21:17	1

U.S. panel faults aircraft firm in worst ever crash

WASHINGTON (Reuters). — Congressional investigators on Friday suggested that the world's worst air crash — in which 246 people died last March — might have been averted if an ordered modification on the DC-10 jumbo jet had been carried out.

The House of Representatives Special Investigations Subcommittee said the crash of the Turkish Airlines DC-10 outside Paris on March 3, in which 335 passengers and 11 crew were killed.

In releasing a 300-page report on its investigation, the panel also made public a previously secret report by a Federal Aviation Agency (FAA) group which was dated last April. It said cargo doors on DC-10s are now safe but still need further design improvement, terming them "worthy of Rube Goldberg."

The congressional panel said records of the DC-10's manufacturer, McDonnell Douglas Corporation, were incorrect. They showed that modifications to the triple-engine jet's cargo door ordered by McDonnell Douglas, had been made.

After takeoff from Orly Airport, a cargo door blew open at an altitude of 3,600 metres. The explosive decompression of the cargo compartment caused the cabin floor above to collapse on vital control cables, the congressional report said. The plane crashed two minutes later.

The panel said it could not get a satisfactory answer as to why the cargo door change had not been carried out when company records said it had.

Angola independence talks said to begin in January

LUSAKA. — The Portuguese Government and the three Angolan guerrilla movements will hold independence talks in Portugal on January 10, one of the Angolan nationalist groups said yesterday. In Lisbon, the president's office said the report was "premature."

Dr. Jonas Savimbi, head of the National Union for the Total Independence of Angola (Unita), said the talks will take place somewhere in Portugal but not in Lisbon. He declined to elaborate.

He said the three groups wanted the constitutional conference to agree on the formation of an interim government in Angola by the end of January. He also wanted the conference to agree on elections and independence for the West African territory within the next nine to 12 months.

The interim government would be composed of members of all three liberation movements — Unita, MPLA (Popular Movement for the Liberation of Angola) and FNLA (National Front for the Liberation of Angola) — and Portuguese officials, he said.

Trial demanded for Thai's ousted military strongman

BANGKOK (AP). — Student, labour and other leaders met Deputy Prime Minister Prakhob Hutasing yesterday and demanded that the government either stage a political trial of ex-military strongman Thannom Kittikachorn or immediately expel him to avoid any threat to Thailand's progress toward democracy.

Prakhob told the protesters the government would consider the demands, presented by representatives of 18 pressure groups, but said he doubted it was legally possible to send Thannom back into exile because he is a native Thai citizen.

He reconfirmed to the delegation that Thannom, who slipped into the country before dawn on Friday with the avowed motive of visiting his aged and ailing father, is still under house arrest. He declined to give the location except "in Bangkok."

Meanwhile, about 8,000 students and supporters rallied at Bangkok's Thammasat University to express their displeasure with a government decision to hold ex-Field Marshal Thannom in military custody for a military investigation into his role in the deaths of 72 civilians killed in the October 1973 uprising that toppled his government and sent him into exile.

Ethiopian delegation in Eritrea; 45 strangled by piano wire

ADDIS ABABA. — A top-level delegation of the Ethiopian military government has begun talks with local officials in the northern city of Asmara, where nearly 50 persons have been killed in a five-day reign of terror, Western diplomats said yesterday.

The delegation discussing the problems facing the troubled province of Eritrea is composed of civilians and military officials and headed by Michael Imru, minister of information and a former prime minister. Other leading members include Mohammed Abdurrahman, minister of industry, and at least one member of the ruling military council.

Yesterday's lengthy talks with provincial leaders, who included tribal and religious chiefs but not representatives of the Eritrean Liberation Front (ELF), are expected to be resumed today, the sources said. They reported that the delegation is making a last-ditch effort to avoid more bloodshed between ELF and government forces.

Reliable reports from Asmara say that 18 young students died on Thursday night, all strangled by unknown hands with piano wire. The previous night, 20 were slain in the same manner. Two nights earlier, seven were killed this way. In each case, their bodies were found in city alleys and doorways.

The dead are all believed to have been connected with ELF, the separatist organization headed by Osman Sabbe, which has been waging a 12-year guerrilla war of independence for the former Italian colony on the Red Sea since it was annexed as Ethiopia's 14th province.

Ethiopia's military government announced yesterday that it was continuing efforts to end the conflict by negotiations. But in reports from Beirut, however, the ELF leader was quoted as saying that his movement was determined to continue fighting for independence.

Theories as to the killers' identities abound but facts are few. Most likely is that these opponents to Eritrean liberation are eliminating potential leaders in order to prevent a feared general outbreak of guerrilla warfare.

So far there is official silence on the latest murders in a city patrolled by the Second Ethiopian Army Division, but seven people were reported by Asmara Radio to be in custody.

This latest wave of trouble began last Sunday when two grenades were thrown into Asmara bars, killing at least four people. A night of shooting between ELF gunmen and Ethiopian army units ensued, in which five soldiers are officially admitted to have died and several dozen people to have been hospitalized.

Outside Asmara, Eritrea's grim Christmas has included reports of explosions and gunfire from many parts of the province, and more troops have been flown north to prevent the situation deteriorating further. (AP, UPI, Reuters)

Fatah leader still wants Hussein slain

BEIRUT (AP). — A senior leader of the largest Palestinian terrorist group, Al Fatah, reiterated yesterday that his group is still dedicated to killing Jordan's King Hussein and toppling the Hashemite monarchy.

Salah Khalaf, code-named Abu Iyad, told the "Al Quds" press group that the long standing decision had never been reversed despite the Rabat Arab summit meeting resolutions that urged reconciliation between Jordan and the terrorists. Fatah is headed by Yasser Arafat, chairman of the Palestine Liberation Organization.

King Hussein recently told visitors he believes that despite the Rabat declaration, Fatah is still out to get him.

Khalaf, the number two man in Fatah, said the abortive attempt to assassinate Hussein at Rabat in late October was in conformity with the resolution to topple his regime.

"I was responsible for the attempt in my capacity as head of Al Fatah's Jordan Affairs Bureau. The powers of the Bureau were not meant to slay the King or over-throw him just on paper. It was created to fight Hussein's regime by all means at its disposal."

Khalaf acknowledged that there was a contradiction between his statements and the preparations for a meeting grouping Egypt, Syria, Jordan and the PLO. But he said, "If anybody wants to give Hussein a chance, let him do so. As far as I am concerned, the matter is settled. I am not giving the King a chance."

The plot against Hussein was smashed by Moroccan security authorities after a refrigerator truck carrying explosives and arms for the plotters from Beirut had an accident in Spain and the arms were discovered. More than 10 persons among two members of the Libyan delegation to the conference were arrested.

Khalaf was reported to have been in Rabat and to have been arrested at the time. This has never been confirmed and Khalaf did not mention it in the interview.

"I was responsible for the attempt in my capacity as head of Al Fatah's Jordan Affairs Bureau. The powers of the Bureau were not meant to slay the King or over-throw him just on paper. It was created to fight Hussein's regime by all means at its disposal."

MARTIAL LAW DECLARED

Nicaragua leaders held hostage

MANAGUA, Nicaragua. — Martial law was declared throughout Nicaragua yesterday after the extreme leftwing Sandinista guerrilla group kidnapped about 25 senior government officials, bankers and industrialists.

The declaration was broadcast over national radio shortly after President Anastasio Somoza fled back from a visit to the U.S. to deal with the situation.

The secretary of President Somoza, who announced martial law, said the hostages included the Nicaraguan Ambassador to the U.S., Dr. Guillermo Sevilla Sacasa, and the Ambassador to the UN, Guillermo Lang and his wife, in addition to Managua Mayor Luis Valle Olaveres and his wife and the brother-in-law of President Somoza, Noel Payala.

The semi-official newspaper "Noticias" said in a special edition that Foreign Minister Alejandro Montiel Arguello was among those being held hostage.

The declaration of martial law came after an armed terrorist group occupied the home of a wealthy businessman and took the party guests hostage.

Two policemen were killed and several persons injured in the attack on the house of Jose Maria Castillo Quant on Friday night. The residence was surrounded by hundreds of national guardsmen yesterday, the government said.

The self-styled Sandinista Liberation Front was founded in 1961 and named after the leader of a 1930s movement of resistance against invading U.S. Marines.

The front was blamed for a series of bank raids and attacks on army posts, but almost nothing has been heard of it since 1970.

Its chief aim is opposition to the family of rightist President Somoza, which has ruled the Central American republic for 30 years.

Only on Friday, police said they had uncovered evidence that the Sandinistas, the country's biggest guerrilla group, were operating again. (AP, Reuters)

EGYPT HOLDS 7 FOR PORT SAID 'DISTURBANCE'

CAIRO (AP). — Egyptian authorities are holding seven persons in Port Said who tried to disrupt an official ceremony by inciting people against the government, the Interior Ministry announced on Friday.

Famphlets attacking the government were found in their possession, a communiqué said.

The communiqué, quoted by the official Middle East News Agency, said the incident occurred last Sunday, during ceremonies in a theatre marking evacuation of British and French troops from Egypt in 1956.

A total of 17 persons were arrested but 10 were released.

"Political extremists took down posters for the show and replaced them with ones attacking the government and inciting the people to demonstrate, but the people did not respond," the communiqué said.

It reported government officials tried to get them to stop but they insisted. It said the demonstrators had come from outside Port Said specifically to cause havoc.

U.S. weapons costs up \$4,200m.

WASHINGTON (AP). — The Pentagon said on Friday that inflation has helped propel estimated costs of major U.S. weapons programmes upward by another \$4,200m.

In a report to Congress covering the quarter ending September 30, defence analysts estimated final costs for 42 aircraft, missile, ship and other weapons programmes at \$147,800m.

For the three months ended in June, the Pentagon had figured final costs for the programmes, some stretching 15 years into the future, at \$143,600m.

The Pentagon said that inflation accounted for \$3,500m, or 84 per cent, of the estimated \$4,200m increase. The balance of the increase was attributed to design changes and other programme modifications.

The Pentagon said that most of the inflation-related increases, some \$3,200m, came in army programmes.

50,000 Greeks may be repatriated

ATHENS (UPI). — The government of Premier Constantine Karamanlis has begun exploring the possible repatriation of more than 50,000 Greeks who fled to Communist countries after the collapse of the Communist uprising in 1949.

Government sources said yesterday the government is exploring the issue of repatriation following the restoration of democracy and the legalization of the Communist party in Greece, the source said.

CLASH AT ISMAIL'S FUNERAL

CAIRO (AP). — Hundreds of thousands of Egyptians mourning the late Field Marshal Ahmed Ismail, clashed with riot police Friday during his funeral procession in the city streets, but order was quickly restored.

Police tried to keep people away from the official procession that was led by President Sadat, political and military figures, Ismail's family and visiting Arab military delegations.

The melee lasted 10 minutes but it happened behind the procession and Sadat and most other participants in the funeral did not see what was taking place.

In civilian clothes, Sadat walked with the new War Minister, Lt. Gen. Abdel Ghany Gamasy, appointed Thursday night and on his way to Moscow.

Foreign diplomats, including the American and British Ambassadors also walked in the procession.

Ismail, 57, was Deputy Premier, War Minister and commander of the armed forces. He died Wednesday in London from cancer.

Cables in brief

CONAKRY. — Guinea has re-elected President Sekou Toure for a third consecutive term, according to final election results announced yesterday. Toure was the only candidate.

PITTSBURGH. — U.S. Steel Corp. says it will shut down an open hearth shop at its Gary, Indiana, works next week rather than pay a \$2,300-per-day fine for air pollution. The shutdown is expected to result in layoffs for 4,000 workers in Northwest Indiana.

BELFAST. — Northern Ireland's church leaders, both Roman Catholic and Protestant, on Friday seized on an unbroken Christmas truce to urge a permanent cease-fire between the British authorities and Irish guerrillas.

LISBON. — Two passenger trains collided near Lisbon's main station on Friday, overturning a second-class carriage crammed with travellers and filling it with sparks and shrapnel and flying glass. Officials said 15 persons were killed and 82 were injured in the wreck.

BUENOS AIRES. — A group presumed to be guerrillas attacked an armoured bank truck with machine-guns on Friday, wounding two guards and making off with an unknown amount of cash, police said. The gunmen, believed to be members of the People's Revolutionary Army (ERP), stopped the truck and opened fire. The guards returned the fire before they were wounded.

SEOUL. — About 200 disabled veterans attacked the opposition party offices in Taejeu yesterday, smashing furniture and beating party workers with pipes and sticks. A spokesman for the New Democratic Party said 13 members were injured. The veterans fought their way past police barricades to reach the party offices. About 40 managed to get inside where they attacked workers with broken furniture.

TAIPEI. — Nationalist Chinese army commander Yu Hsu-Chang was seriously injured and an unidentified army general was killed in a helicopter crash on Friday, a source reported. The accident occurred while Yu was aboard a helicopter inspecting a military exercise. The press here was told not to report the accident.

FORD WARNS OF WAR

(Continued from Page One)

director, replacing Roy Ash, who is returning to private life. Ford also said Edward Levi, the 63-year-old president of the University of Chicago, would make "an outstanding Attorney-General" and left no doubt he would nominate him despite conservative criticism.

Said there will be further changes in the Nixon holdover cabinet. While refusing to get into a "numbers game," Ford noted that "some people have been there a long time... I think they all worked hard in a tough time."

Said Secretary of State Henry Kissinger was "a very indispensable man for the country" and indicated he had changed his mind about getting rid of Defence Secretary James Schlesinger. He said Schlesinger was doing a good job in a tough spot.

Stood by his pardon of his predecessor, Richard Nixon, saying: "I think I did it at the right time and did it for the right reason." He conceded Nixon did not tell all about his Watergate role, but said acceptance of the pardon can be interpreted as a confession.

Refused to go into specifics, but said next year's Federal deficit will "be larger than I would like."

He blamed inflation, unexpected domestic and international demands and "the fact that Congress forced us to spend more money than we anticipated."

Ford rejected charges, including some by members of his own party, that he had failed to display leadership in the current critical period. He said: "We do have very serious economic problems. We have had serious decisions to make in foreign policy. Anybody who doesn't agree with you has a tendency to say, 'You don't display leadership. I think we have, definitely, in the field of foreign policy. I think we have shown initiatives in domestic policy.'"

"Certain circumstances overtook us and Congress didn't act on the main portions of our programme. So we're in the process right now of final evaluation of what we should do in the area of energy, what we should recommend in the field of the economy. Those decisions will be made, and I think they will be very forward looking, they will be adapted to the times. I just hope that when they are finalized, and made available to the Congress and the public, they'll be supported."

The President said he expects the country to be out of its economic slump by the time he hits the campaign trail. "I think every expert, liberal and conservative, in the field of economics, seems to indicate that by the third or fourth quarters of 1975 we'll be on our way," he said.

Asked whether his economic policy would aim at recession or inflation, Ford said: "I think it probably is a slight tilt toward the problems of the recession right now, but you certainly can't ignore the serious danger of recurrence of high inflation. So what you have to do is give the right medicine for the more serious (problem) without undercutting the efforts you made in the field of inflation in the past."

Ford adamantly opposed a petrol tax increase, saying those who are pushing for it are engaged in "one of the most amusing propaganda efforts I've seen." He said the word reaching him from Congress "is that they're not going to pass it. Don't send it up. It'll tear things up."

He said petrol supplies were adequate for now and he saw no need for rationing.

The President disagreed with those who consider him a babe in the woods in the diplomatic arena. He said his long years on congressional committees gave him a solid background on military problems and the strategic arms limitation negotiations with Russia.

Ford has participated so far in two major summit meetings — one with Soviet Communist Party general secretary Leonid Brezhnev in Vladivostok, and the other with French President Valéry Giscard d'Estaing in Martigny.

Asked if he considered Brezhnev a man of peace, Ford said he was impressed by the Russian leader's emphasis on international problems and that this should be encouraging to the world because it "gives us the opportunity to make real progress."

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BARRY TUCKWELL, Horn
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Series 3, Monday, 30.12.74
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JUDITH LIEBER, Harp
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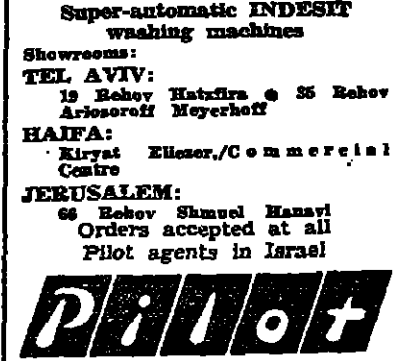
JERUSALEM: Binyamin Ha'oma, 8.00 p.m.
Series 1, Sunday 5.1.75
SUBSCRIPTION CONCERT
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Programme: Ben-Yohanan, Ginstera, Bruckner (soloists and choir)

ERICH BERGEL, Conductor
JEROME LOWENTHAL, Piano
TEL AVIV: Mann Auditorium, 8.30 p.m.
Series 6, Saturday 11.1.75
Series 7, Wednesday 15.1.75
Series 8, Thursday 23.1.75
HAIFA: Haifa Auditorium, 8.30 p.m.
SUBSCRIPTION CONCERT
No. 3

Series 1, Sunday 19.1.75
Series 2, Tuesday 21.1.75
Series 3, Wednesday 22.1.75
Programme:
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Beethoven — Concerto No. 2 for piano and orchestra
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Sunday, January 5, at 8.30 p.m.

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Provost of University College, London

will lecture on HOW BRITISH HIGHER EDUCATION REFLECTS BRITAIN'S TROUBLES

Chairman: PROF. NATHAN ROTENSTREICH

Wednesday, January 3, at 8.30 p.m.

PROFESSOR MAX BLACK

Dept. of Philosophy, Cornell University

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Kremlin hints retaliation on U.S. trade bill

MOSCOW (AP). — A highly placed Soviet official implied yesterday that Moscow might retaliate against restrictive provisions of the recently approved U.S. Trade Bill that ties trade advantages to increased emigration from the Soviet Union.

The suggestion was made in a series of attacks on the trade bill by the official Soviet press, reflecting the sharp discontent of the Kremlin.

In a major article in the newspaper "Sovetskaya Rossiya," Leonid Zamyatin, head of the official Tass news agency and frequent spokesman for Soviet leader Leonid Brezhnev, discussed the trade bill and its implications on Soviet-American relations.

Zamyatin recalled that in 1972 the U.S. and the Soviet Union "assumed obligations to grant the other side unconditionally the most-favoured-nation (trading) status. This is natural to develop mutually profitable trade."

Zamyatin added: "In the present situation, the failure of one of the parties to honour its commitments cannot but affect the commitments assumed by the other party under a series of commercial and financial agreements."

Zamyatin did not enlarge on what appeared to be a retaliation threat. Since 1972, when former U.S. President Richard Nixon and Brezhnev signed the trade agreement, the Soviet Union and a number of American firms have made a series of accords to promote trade.

Senator Henry Jackson led the drive in Congress to deny the Soviet Union most-favoured-nation status while the Soviets retained restrictions on emigration. Jackson dropped his opposition to the trade bill on the basis of a reported understanding negotiated by Secretary of State Henry Kissinger under which the Soviets would liberalize emigration policy. Jackson has indicated that if emigration reached a figure of about 60,000 annually, compared with about 20,000 this year, Moscow would be living up to the understanding.

But Soviet officials hotly deny any such understanding exists and accuse Congress of unwarranted interference in the internal affairs of the USSR.

Zamyatin sharply criticized "forces which are trying to damage the good development of relations between our two countries."

"It is not astonishing that the tone among the enemies of détente is given not only by the reactionary elements which are tightly linked with the military-industrial complex of the U.S. but also by the frantic, double-dyed wing of the Zionist movement."

"Through all the years of the existence of Soviet power, it has always made anti-Zionist appeals, and now when a basic turn in Soviet-American relations has developed it does everything to prevent this process."

China: Soviets bullied Egypt to clear the Canal

TOKYO (AP). — China accused the Soviet Union yesterday of trying to bully and blackmail Egypt in connection with the clearing of mines in the Suez Canal.

"But the Soviet revisionists failed to see that Egypt is an independent state with dignity," said a commentary by the official Hsinhua News Agency. "It is only natural that the Egyptian government and people categorically rejected the blackmail of the Soviet revisionists."

"Their ugly performance is another ignominious episode added to the long list of their records of overreaching their hands only to be knocked about everywhere in the world," Hsinhua added.

Hsinhua said the USSR first said it would be wholly responsible for all clearing work provided that the cost be met by revenue from the Canal. After this was turned down and U.S. servicemen began a survey on minesweeping in the Canal, Hsinhua said, the Soviet Union said it would pay the cost if it was given immunity from taxation after the Canal was reopened.

Hsinhua said this was again turned down, and by that time the U.S. had been entrusted with the task of clearing the Canal.

"Greatly alarmed," it said, "the Soviet revisionists had to express their willingness to clear the Gulf of Suez free of charges, but proposed at the same time that Egypt should produce a 'written application.' This was obviously an attempt to save their own face by bringing Egypt to its knees. Their proposal was again rejected. Having no other alternative, the helpless Soviet revisionists had to agree to do the mine-sweeping in the Suez Canal."

Hsinhua said the Soviet Union and "another superpower" had longed to see the Canal reopened, with "the Soviet Union being more eager."

It noted that reopening the Canal would put the Soviet Union in a favourable position to link its fleets in the Black Sea, the Mediterranean and the Pacific.

42 French miners die in explosion

LIEVIN, France. — French coal miners unions yesterday called a 24-hour work stoppage in the nation's coal pits for next Tuesday during the funeral for 42 miners killed on Friday in the country's biggest mining disaster in 15 years.

Trade union officials said the national day of mourning will dramatize what they consider inadequate security precautions in some of the state-run mines.

The toll in this northern French coal basin rose to 42 yesterday when one of the six injured survivors died during the night. Several of the five survivors suffered serious burns.

One of the survivors said, "A huge flame engulfed my workmates, who burnt up like torches. It's a sight I shall never forget."

The blast ripped a gallery 710 metres below the surface as the miners returned to work after a five-day Christmas break. Alexis Desruys, general secretary of the state-run coal fields in the region, said, "We are completely baffled by the causes of the explosion. It's a real mystery because we feel that all the necessary safeguards had been taken."

The victims were all veteran miners with at least 20 years of service. As news of the explosion spread through the town, relatives and friends thronged to the pit, making it difficult for vehicles arriving with coffins to get through.

The previous highest toll in a French mine disaster in recent years was 29 killed in 1958. The worst tragedy was in 1906 when 1,171 miners died at Courrières, in the same area as Lievin.

Premier Jacques Chirac announced that he will attend the funeral, to be held in the town square.

(Reuters, AP)



Comedian Jack Benny came to Israel in October, 1970 for two concert performances with the Israel Philharmonic under the baton of Zubin Mehta. Benny said then it was his first visit to the State of Israel, but he had been in Palestine in 1948 to entertain British troops.

(Arie Melises)

Jack Benny dies at 80

BEVERLY HILLS, California (AP). — A traditional Jewish funeral with eulogies by entertainers Bob Hope and George Burns is scheduled today for comedian Jack Benny.

Rabbi Edgar Magnin of Hollywood will officiate at the ceremony and private entombment will follow. Pall bearers will include actors Gregory Peck, Frank Sinatra and comedian Milton Berle.

Benny died late Thursday night from cancer of the pancreas. In a telegram to his family, President Gerald Ford said:

"If laughter is the music of the soul, Jack and his violin and his good humour have made life better for all men... we will remember you in our family prayer."

Benny's career encompassed virtually all phases of American show business during this century and he became a top star in each one.

Born in 1894, he began his show business career as a youngster and was still performing publicly when he died at 80.

Fulbright quits Senate early

WASHINGTON (AP). — Senator J.W. Fulbright, Democrat-Arkansas, has resigned from the Senate, effective on December 31, the Senator's office announced on Thursday.

The resignation of Fulbright, chairman of the Senate Foreign Relations Committee, opens the way for Arkansas Governor Dale Bumpers to succeed him early if Bumpers resigns as governor.

PRIME MINISTER WHITLAM: 'Australia will rebuild cyclone-ravaged city'

DARWIN, Australia. — Prime Minister Gough Whitlam walked the devastated streets of Darwin yesterday and vowed that Australia's northern gateway would be rebuilt.

As Whitlam spoke jets roared out of the town carrying thousands of residents displaced by the worst natural disaster in Australian history.

"The government is determined the city will be rebuilt and restored," he said. "This is an essential part. It has always been Australia's gateway."

The official death toll in Darwin's Christmas cyclone disaster rose to 48 yesterday with the discovery of two bodies in Darwin harbour. Police said they apparently floated off ships.

Authorities planned a house-to-house search of the entire area to determine if there were any more bodies, police commissioner E.H. Mc-

Laren said. The search could take two months, he said.

McLaren said some bodies were being buried before they could be identified, because electricity shortages prevented them from being refrigerated. Photos of the bodies are being kept.

Prime Minister Whitlam predicted "the town would be 'well back on the mean' by New Year's day, when, he said, half the city's 41,000 people will have been evacuated and naval ships will have arrived with relief supplies."

His arrival from abroad came 24 hours after acting Prime Minister Jim Cairns, completing a survey of the battered city, said it reminded him of "a battlefield or a Hiroshima."

He estimated it would cost \$1.2m. just to replace the houses. Flower and water supplies have been cut off for three days and the sewerage system out of operation.

(AP, Reuters)

MP's Secretary: pressure amounted to blackmail Stonehouse's former partners want their money back

LONDON (AP). — Two former business associates of runaway British Labour M.P. John Stonehouse were quoted yesterday as saying that he owes them money.

The former Cabinet member's secretary, meanwhile, called the pressure Stonehouse had been put under before he fled London "in effect blackmail."

Stonehouse, 49, who is under detention in Melbourne, Australia, has told authorities he was subject to "incredible pressures" and blackmail. He disappeared from Miami on November 20 and was discovered last week living under a false name.

Yesterday Keith White, who quit his job as co-director of Stonehouse's London Capital group of companies, told the "Daily Mail" he is suing Stonehouse over an agree-

ment to buy back £10,000 worth of shares.

White added in the interview: "If anybody is suggesting that, because I am taking legal action against Stonehouse for my legal rights, I am a blackmailer, then he or she will get a writ immediately."

Peter Collaro, another former Stonehouse director, was quoted in the "Sun" as saying Stonehouse owes him £5,000 over another shares deal and that Stonehouse "is bound to go bankrupt."

Stonehouse's secretary, Sheila Buckley, said he was under "massive unfair pressure." "I can understand why he is calling it blackmail," she said. "Several individuals were, in effect, blackmailing him."

Stonehouse, who has pleaded to be allowed to remain in Australia,

to start a new life, is awaiting a decision on whether he will be deported.

His wife Barbara, who has joined him in Melbourne, when told the press she thinks he needs psychiatric treatment. This was echoed by his mother, who said in London: "He tried too hard to become rich, like so many of his friends; and now he's collapsed."

British authorities are maintaining silence on whether Stonehouse could face criminal charges here, either over his business activities or his disappearing act, in which he used two false passports.

Columnist Amy Vanderbilt, 66

NEW YORK (AP). — Amy Vanderbilt, whose columns on manners, romance and propriety were syndicated in hundreds of newspapers and whose books on etiquette sold in the millions, jumped or fell to her death on Friday night outside her Manhattan townhouse, police said.

Born in Staten Island, New York, Miss Vanderbilt was a first cousin of Commodore Cornelius Vanderbilt, the railroad mogul. She claimed descent from America's first Vanderbilt, Jane Aestsen van der Bilt.

Miss Vanderbilt began her career in journalism as a society and feature writer for the "Staten Island Advance." After publication of her book "Etiquette" she became a columnist for United Features.

USSR says it will hike oil output

MOSCOW (UPI). — The Soviet Union expects to make major new discoveries in the future, Oil Minister Valentin Shashin said on Thursday.

Shashin said in an interview with Tass that the USSR surpassed U.S. figures this year to lead the world in oil production. He said 458 million tons of oil and gas condensate were produced this year and the target for 1975 is 490 million tons.

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The more important and interesting aspect of this WINTER-SCHLUSSVERKAUF is that January is the period when shops and department stores in Germany go nuts and sell everything they have in stock at give-away-prices. It is a kind of recurrent craze when shopowners decide that they need more space for the new year's collection.

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BUSINESS & FINANCE

Mart fears Ford will relight fires of inflation

NEW YORK (Reuters). — To Wall Street, investors, whose fortunes have been whittled away by a five-fold increase in world oil prices, rampant inflation and one of the deepest recessions since World War II, the burning question for 1975 is whether the stock market can pick itself up from its ashes.

In 1974, the market, as measured by the closely watched Dow Jones industrial average, tumbled more than 250 points to its lowest level in more than 12 years.

At the moment, many of the experts are doubtful that the future promises to be any better. But they admit that it is difficult to ignore the fact that a number of high quality issues are selling at bargain basement levels.

Perhaps the biggest reason for the pessimism sweeping the investment community is the fear that the Ford Administration may not have the ability to pump up the economy without rekindling the fires of inflation.

Yet, analysts point out that investor morale is suffering just as much by the failure of the U.S. Administration to map out a clearly defined policy toward dealing with these problems.

President Ford has just about given up on his proposal for a five per cent surtax which has met strong resistance from a lame-duck Congress. And no new plan is likely to be forthcoming until the new Congress convenes, or, possibly, until the President delivers his State of the Union address next month.

Should the President succeed in revitalizing the economy, investors are still threatened with other potentially dangerous possibilities.

Many economists, who have predicted an economic recovery beginning around the third quarter of next year, warned that their predictions do not take into account the possibility of another Arab oil ban.

In fact, the gloom has been so thick that even the sharp decline in bank prime interest rates — normally bullish for the stock market — since last summer has been shrugged off by investors. The prime rate, or the rate charged large business borrowers now stands at anywhere from 10 to 10.5 per cent after having held at 12 per cent through most of last summer. Some money market experts envision a prime of seven per cent, or perhaps slightly lower by June of next year. But so far this has done nothing to lift investors' spirits.

And if sales of new automobiles can be used as an economic barometer — as they frequently are — than an immediate recovery is not on the cards.

Alan R. Shaw, Vice-President and head of research of Harris Upham and Co., does not expect a sustained advance in the stock market until the latter part of the third quarter, the period when most economists expect an improvement.

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Mini-devaluations considered

RATE OF EXCHANGE WILL PLAY MAJOR ROLE IN FISCAL REFORM

By MOSHE ATER
Jerusalem Post Economic Editor

TO BE CONCERNED NOW, less than two months after devaluation, about the exchange rate of the Israeli pound may seem a bit soon. But the issue is less far-fetched than it looks. It is already obvious that the November devaluation did not achieve all that is needed to put our economy on the right course, in particular as regards export expansion, and government spokesmen have never ceased to point out that additional steps — as yet undisclosed — will be taken in the near future.

Both the Treasury and the Bank of Israel are known to have for a long time been toying with the idea of mini-devaluations, carried out without much ado whenever the respective authorities find them useful and convenient. Since monetary policy is one of the few fields in which administrative action can be taken without parliamentary approval, the idea is particularly attractive for a weak government. The issue must anyway crop up when the export premiums come up for review shortly.

In the forthcoming discussion of a comprehensive fiscal reform the exchange rate must also play a major role.

Some basic features of the issue ought therefore to be made clear. There is a tendency to see the rate of exchange as dictated mainly by considerations of our foreign trade. However, in the current circumstances this is largely a misconception. The rate effective for our imports depends not only on the official parity, but also on the flat surcharge, which currently stands at 15 per cent of the c.i.f. value. But this can be upped easily, while the rate effective for our exports depends on the rate of incentives, which can be similarly manipulated.

A major increase in the official rate of foreign currency can therefore prove inadequate for curbing imports, and for boosting exports, if it is accompanied by a cut in the tariff surcharge and in the export premiums, as indeed happened in November last. On the other hand, both objectives can be achieved without changing the official parity, as was the case in the late 'sixties. Since the official rate is confined largely to capital transfers, it represents actually only a discount on the effective trade parities, which are discretionary and fairly flexible.

The widespread view about the disadvantage of our currency's link with the US dollar must also be seen against this background. An appreciation of the dollar compared with the currencies of other

countries, which constitute our main export markets, may indeed handicap our sales abroad (while a depreciation of the dollar, like that which has been taking place in recent months, makes our exports more competitive). However, dollar appreciation also increases our purchasing power for non-dollar imports, which are much bigger than our exports to the respective markets. Its aggregate impact on our foreign trade balance is therefore positive, contrary to the popular argument.

Moreover, an appreciation of the dollar increases the effective worth of the foreign capital inflow, most of which comes from the U.S. And most important: the current argument about the adverse effects of the dollar link presents the facts in a topsy-turvy manner. It is true that the effective average rate of our currency appreciated in 1973 (by about 8 per cent). But that was due solely to our domestic inflation, which raised the internal price and cost level and was not accompanied by an appropriate increase of export incentives and import surcharges, while the dollar rate declined in that period (by about 9 per cent). Indeed, that decline was partly responsible for the bulge in trade deficit that year. We can hardly expect the dollar exchange rate to be manipulated so as to offset the follies of our own policies. And these follies will make themselves felt even if the link with the dollar is abolished.

TRADE BALANCE

Why then have we not made timely use of the flexible, discretionary instruments we have at hand, in order to avert the adverse impact of inflation on our foreign trade balance? The answer is plain enough: because that would have brought in its wake income and fiscal effects which we were not ready to stomach.

In the current fiscal year export premiums already exceed our education budget, and absorb about one-third of our income tax revenue. In order to increase then new revenue sources would have to be found, or other expenditure items reduced. Of course, a higher import levy could provide the means, but this would up price levels, and cut real incomes and private consumption. This, however, neither the public nor the government would permit.

Indeed, the government has been (and still is) spending huge amounts on subsidies which reduce the price of "vital" commodities below the level dictated by the current exchange rate. We could have corrected our exchange rate, but to that end we would have had to stop deficit spending, and to discontinue inflation. Monetary measures cannot be effective unless they

are coordinated with other economic policies.

So long as no radical reform is carried out in our general economic framework, changes in our exchange rate can remain of only limited efficacy. Formal devaluation may help to attract foreign investments, though one may doubt whether it will be effective until the threat of another war is removed. Also, repeated mini-devaluations are likely rather to induce investors to delay transfers of capital in expectation of a better rate.

In any case, mini-devaluations need not be resorted to in order to boost our export proceeds. That can be achieved more easily by an appropriate formula for calculating the export premiums (as has been suggested by the Export Institute). A devaluation would only make sense for that purpose if we decide to shift the cost involved in financing export promotion from the Treasury (i.e. the taxpayer) to the public (i.e. the consumer and the investor), if we resolve to cheapen our exports by making our imports (and in their wake also home production) more expensive.

This must also be kept in mind when considering the suggested floating of our currency. Obviously, floating would be the best way to balance our foreign income and expenditure, and to arrest the drain of our foreign currency reserves. But it would only achieve that purpose if it is allowed to work, i.e. if its operation is unhindered by contrary policies, such as subsidies, price controls, or c.o.l. allowances, and if the market forces of supply and demand are allowed to operate with a minimum of fiscal or administrative intervention. Since this is hardly what is at present intended, floating is unlikely to prove more than a catchy slogan.

Correction

In Friday's article "The protection of cultural property," closed quotes should have appeared after the paragraph ending "history of Jerusalem." The paragraph beginning "The Arabs allege" is part of Dr. Biran's quote, and not Mr. Le-maire's.

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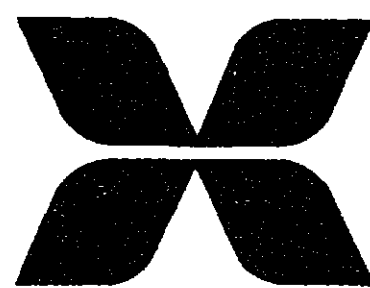
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WALL STREET WEEK

Few signs of strength

NEW YORK (AP). — The New York Stock Exchange managed a small price gain this week but still showed few signs of strength as it approached the end of its second year of a devastating bear market.

The Dow Jones Average of 30 industrial stocks advanced 3.68 to 802.16. Standard and Poor's more broadly based 500-stock index edged up 23 to 67.14.

In the over-all New York Stock Exchange tally, gainers actually trailed losers, 344 to 318 among the 1,997 issues traded.

The New York Stock Exchange's composite index of all its listed common stocks was up 13 at 35.36.

Big Board volume averaged 13.11 million shares a day for the four sessions during the week. The major exchanges closed two hours early on Tuesday and did not operate Wednesday because of Christmas.

As the pace of trading dragged through Thursday and Friday, it became clear that a good many investors were taking an extended holiday-season break.

Volume had averaged 16.41 million shares a day the week before.

The news investors had to work with was mostly uniformly bleak.

The market made a faint gesture at a rally on Tuesday and Thursday but it died on Friday when the government reported that its index of economic indicators dropped 1.5

per cent in November for the fourth monthly decline.

The index is often closely watched by investors because it theoretically provides the earliest official indication of what economic trends might be several months or more further in the future.

The decline in interest rates which carried through most of the autumn, meanwhile, clearly had stalled.

Four big board issues reached new highs for the year during the week, compared with 35 new lows.

Tesco led the active list, up 1/4 at 20 1/2. Late Friday the company reported what it described as a "significant" oil discovery in the British North Sea.

Also active were International Telephone and Telegraph, up 1 1/4 at 13 1/2. Southern Co., unchanged at 8 1/4. General Motors, down 1/4 at 30 1/2, and Woolworth, up 1/4 at 9 1/2.

Watergate on disc

LOS ANGELES (AP). — Warner Brothers Records announced plans to market a series of records based on the Watergate tapes, if they become public domain. The firm said on Friday it plans an 11-record set of the "complete 22 hours of recordings" played during the cover-up trial of John Ehrlichman, H.R. Haldeman, Robert Mardian, John Mitchell and Kenneth Parkinson.

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Property rights in Old City's Jewish Quarter

The High Court of Justice discharged an order nisi calling on the respondents to show cause why the order requisitioning a house in the Jewish Quarter of the Old City should not be rescinded and why the petitioners should not be allocated two apartments in place of the house.

The late Abraham and Sarah Bass owned a house in the Jewish Quarter of the Old City. When the whole of the Jewish Quarter was requisitioned by the Minister of Finance in 1968 for purposes of rebuilding and restoring it, this house was included in the requisitioned property. In 1972 the heirs of the deceased — their grandchildren — who all live in the United States, made an unsuccessful attempt to get the house back and asked, alternatively, to have two apartments in the restored Jewish Quarter allocated to them. They were told at the time to submit a formal application for apartments and their ap-

plication would be given sympathetic consideration, but neglected to do so. In 1974 they petitioned the High Court of Justice for an order nisi, which was granted them.

On the return day Dr. Avraham and Mr. Makhs appeared for the petitioners, Mr. Goldman for the first respondent and Mr. Ben Zeev for the second respondents.

Judgment

Justice Witkon, who delivered the first opinion of the High Court, Justice Many concurring, noted at the outset that it is a well-known fact that when the Jewish Quarter was liberated in the Six Day War its synagogues were found to have been destroyed and desecrated and its houses occupied by Arabs living in overcrowded and sub-human conditions. The Government had therefore decided to rebuild the whole area, repopulate it with Jews and create something which is worthy of the historical, national and religious meaning which the Jewish Quarter has and for which there is no counterpart in Israel or of the whole world. This had proved a very difficult task, demanding the resettlement of the Arab occupants, meticulous preservation of archaeological treasures, while planning a residential area which complies with the demands of modern living, and ensuring that the new occupants lived permanently in the area and did not become absentee landlords.

In order to achieve all these aims, continued Justice Witkon, the Minister of Finance had requisitioned the whole of the Jewish Quarter and vested it in the Israel Lands Administration, entrusting reconstruction, restoration and repopulation to the Company for the Restoration and Development

In the Supreme Court sitting as High Court of Justice

Before Justices Witkon, Cohn and Many.

Heirs of late Avraham and Sarah Bass, Petitioners, v. 1. Minister of Finance, 2. Company for Restoration & Development of the Jewish Quarter, Respondents (H.C. 275/74).

LAW REPORT

Edited by Doris Lankin

of the Jewish Quarter. The petitioners' attempt to have the requisition order with respect to their grandparents' house rescinded had, therefore, no basis in law or reality. For the law is that the High Court will not question the Minister's declaration when requisitioning any particular area that is required for public purposes; and from the practical viewpoint, if the petitioners seriously wished to have their property excluded from the development and restoration programme, then it could only be because they did not appreciate the significance of the whole scheme from both a national and security point of view. For it is obvious that such a scheme could only be implemented with respect to the area as a whole. The petitioners were, however, Justice Witkon continued, naturally entitled to compensation for their property and the respondents were fully prepared to negotiate with them on the appropriate sum.

As to the petitioners' alternative argument that they were at least entitled to be allowed to live in their grandparents' house after it had been reconstructed, the answer to it is, held Justice Witkon, that they had missed their chance of doing

so. For by the time they applied for an apartment (or apartments) in the Jewish Quarter there were already 950 approved applicants and 1,000 had been rejected, waiting for the 650 apartments due to become available, one of the main criteria for eligibility for an apartment in the Jewish Quarter being the real and honest intention to live there permanently. Furthermore, they had neglected to apply for an apartment in 1972 when the second respondents had suggested that they do so and had offered to consider their application with sympathy despite the fact that the list was already closed.

So that it could not be said that the respondents had not treated the petitioners with consideration and they certainly could not be accused of discriminating against them.

For despite the close and binding ties which they claimed to have with the Old City through their grandparents, the petitioners were not entitled to be given preference over others whose ties with the Old City were no less close.

The order nisi should, therefore, be discharged.

Justice Cohn

In concurring that the order nisi should be discharged Justice Cohn noted that all the signs point to the conclusion that the petitioners would have succeeded in their aspiration to occupy the home of their forefathers in rebuilt Jerusalem if they had lived in Israel, and not in the United States. For then they would have been close at hand and thus able to press their claims and protect their interests. As it was, however, the respondents were justified in preferring settlers who would actually occupy their dwellings to settlers who lived abroad.

He then went on to criticize the petitioners' counsel for comparing the requisitioning of the house in the Jewish Quarter to Ahab's seizure of Naboth's vineyard which he had inherited from his forefathers. The comparison was not only invidious, he said. The Government had not used its legal powers to rob the petitioners of their birthright but to reconstruct the ruins of Jerusalem. Nor was he aware, he added, that Ahab had paid Naboth's heirs compensation, whereas the petitioners were entitled to compensation from the State for the property which it had, as it were, "bought" from them in accordance with the law.

Order nisi discharged with IL1,000 costs for the first respondent and IL2,000 for the second.

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TIME FOR WORK

EL AL'S decision, backed by the government, to force a showdown with its maintenance men has won very wide public support.

Perhaps it was the maintenance men's bad luck: their go-slow came just when the country as a whole is undergoing a sharp and painful awakening to its economic plight. November's austerity measures are now biting hard, making themselves felt in every family budget.

Other strikes and go-slows by key workers — including some within El Al itself — have met with less resolute opposition in the past, and the maintenance men, choosing the Christmas peak period to press their demands, probably anticipated a similarly wavering attitude towards their own claims.

But the company, the government and the Histadrut are united in the view that to give way to the maintenance men would be indefensible in the present situation. It would, moreover, open the floodgates to a wave of industrial disputes and demands that would quickly sweep away the bulwarks of the government's economic policy.

But public condemnation of the maintenance men, and of other pressure groups, for selfishly "holding the country by the throat" has yet to be translated into an awareness of the similar considerations of patriotic good sense that apply at this time in every single factory and office.

There is a general recognition that others ought to work harder, produce more, restrain their demands during the crisis period. This is all to the good inasmuch as it weakens the grab-what-you-can philosophy that

was threatening to become a part of the national ethos.

But the real change, direly needed, will only come about when consciousness of the overriding national interest becomes self-consciousness, and everyone undertakes to practise what he preaches.

The government, the Histadrut and the Manufacturers Association have joined — itself a sign of the seriousness of the situation — in proclaiming 1975 "productivity year."

All agree that Israel's chronically lagging productivity rate is a major cause of its economic woes. All three sides have expressed the best intentions, the most constructive and undogmatic suggestions to increase productivity.

We shall know before "productivity year" is very far advanced whether they can, severally and collectively, provide the leadership needed to achieve this vital goal.

Histadrut Secretary-General Yehoram Meshel has spoken against restrictive practices. Will he be strong enough, and determined enough, to move from words to action?

And Finance Minister Rabinowitz has publicly recognized the fact that productivity and work-morale have been depressed and corrupted by the tax system as it has evolved over the years. Will recommendations for rational tax reform be implemented?

Bold leadership can inspire and encourage, but at the end of the day it will be the collective resolve and responsibility of the nation as a whole that will determine whether Israel's economy can reinvent itself, or will continue lurching from crisis to crisis.

West must rethink nuclear confrontation as military balance shifts to Soviets

By Lord Chalfont

IT IS FASHIONABLE to proclaim that we are now in a period of détente in relations between the Communist world and the West. There are even those who go as far as to say that the military threat to the free world, if it ever existed at all, has disappeared. Any Western government which constructed its foreign and defence policies on that assumption would be guilty of the gravest irresponsibility.

It is true that the two great power groupings — represented by the North Atlantic Treaty Organization (NATO) and the Warsaw Pact, which seemed only a few short years ago to be locked in irreconcilable conflict — are now prepared to explore areas of common interest and seek ways of preserving their own security without continuing to cripple their economies by massive expenditure on elaborate weapon systems. On the face of it this may seem to be an altogether desirable state of affairs. It is, however, arguable that this superficially unexceptionable dialogue conceals a number of very real dangers.

Whatever may be the implications of the subtle changes in the nuclear confrontation, it is now a matter of common knowledge that the Soviet nuclear missile force is equal to, and by certain criteria even superior to, that of the United States — the changes in the non-nuclear balance of military power have an even greater and less ambiguous significance. The Soviet Navy has been dramatically transformed from a small and unambitious coastal force into one of the most powerful ocean-going navies in the world.

What is even more important, however, is that in Northern and Central Europe, at the heart of the defence of the Western Alliance, the

Soviet Union has continued to increase its military superiority over NATO. Although it may be argued that some of this superiority is offset by more modern and effective equipment in the West, there is still an alarming disparity between the Warsaw Pact and the Western Alliance in some of the more significant categories of forces, weapons and equipment.

On the Northern and Central front 70 Warsaw Pact divisions — armoured, infantry, mechanised and airborne — face 25 NATO divisions. Although it is true that the divisions of the Soviet Union and its allies are smaller than those of the West, there are still nearly a million of their combat troops facing just over 600,000 of NATO.

The disparity in combat equipment is even more significant — 20,000 main battle tanks against 7,000; and over 4,000 tactical aircraft against 2,000. In addition, it is essential to take into account the almost complete standardisation of Warsaw Pact equipment and their decisive advantage in the geographical situation, which would enable them to reinforce more rapidly and massively than NATO. There has so far been no sign of any significant reaction in the West to this disturbing shift in the balance of military power.

If, in present circumstances, there were a military attack on Western Europe, the conventional forces of NATO would almost certainly be in no position to offer any substantial defence without very early recourse to nuclear weapons.

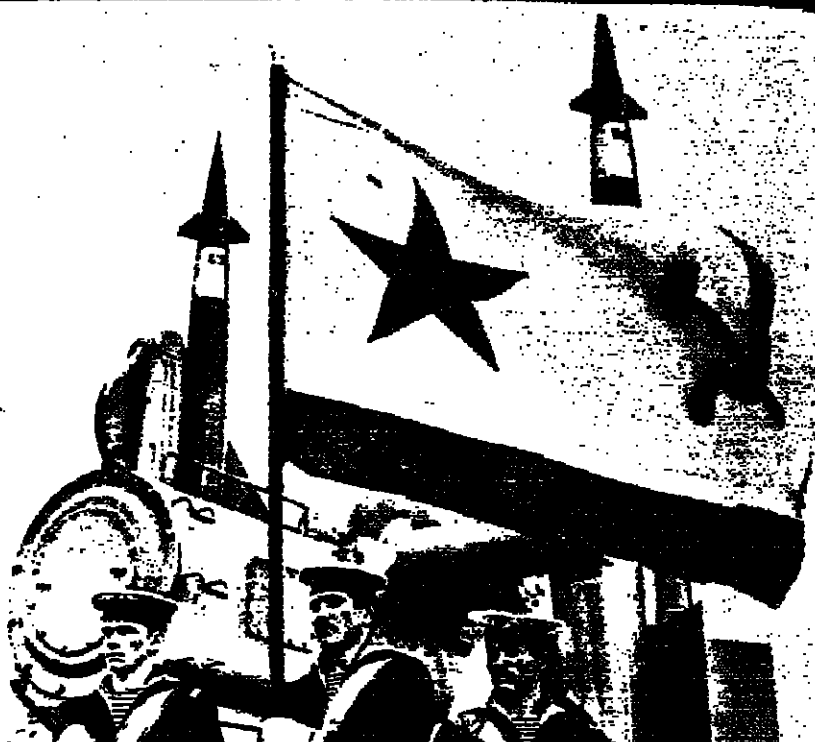
Graf von Kielmansegg, a former Commander-in-Chief of the Allied Forces in Central Europe, has said that even if the West used its battlefield nuclear weapons according to current guide lines, Soviet forces would probably be on the Rhine in three to four days.

It is, however, unlikely that the battlefield nuclear weapons would be used at all, since the decision to use them would, in effect, have to be taken by the President of the United States; and anyone who believes that he would take this decision might care to ponder a statement made in Amsterdam last year by Mr. David Packard, formerly American Deputy Secretary for Defence. Analysing the balance of power, Mr. Packard concluded that both the United States and the Soviet Union are now effectively restricted to the use of non-nuclear force in almost every conceivable situation in which force may be needed. "The United States," he said, "would not use its nuclear force against the Soviet Union short of a dire threat to the survival of the United States."

This pessimistic picture of the defences of the West may seem to some observers to be somewhat alarmist. There are, however, certain circumstances in which the situation might become worse in 1975 — a hastily arrived at agreement on Mutual and Balanced Force Reductions (MBFR), for example, or unilateral withdrawal of American forces under budgetary or isolationist pressures; and probably further cuts in the defence budgets of Western European countries under the impact of galloping inflation.

It is essential, therefore, that 1975 should be a year of radical reappraisal in the institutions, methods, command structure, strategic doctrine and tactical deployment of the forces of the Western Allies. This will have to take into account the fact that no Western European government is likely in the immediate future to contemplate an increase in its defence budget.

It will, therefore, be necessary to examine the entire philosophy of Western defence so as to achieve



Symbols of the Soviet Union's growing naval strength — these sailors stand beneath the fleet's flag and some of its missiles.

a more effective system at levels of expenditure no greater than those which now exist. Any review of NATO will have to take into account the need for more extensive standardisation of major items of equipment; and specialisation by country in equipment manufacture so that Western countries are not competing with each other unnecessarily and duplicating expensive weapons production.

The classic concept of forward defence, based upon regular formations of troops equipped with heavy armour and supported by ground-attack aircraft and all the apparatus of World War II, will have to be re-assessed in the light of lessons of the Middle East by especially those arising from the use of highly mobile anti-tank and anti-aircraft missiles.

This might well lead to new tactical and defence doctrines relying more on the model of guerrilla warfare than on the classical lines which emerged with the introduction of the tank in World War I and have remained largely unchanged through World War II and the

operations in Korea and Vietnam. Finally, some very serious rethinking is needed on the whole subject of battlefield nuclear weapons. As they are at present deployed, they add very little to the deterrent value of Western Forces and they would be positively dangerous if deterrence failed and Western Europe became once again a battlefield.

In this context it is encouraging that 1974 has ended with at least the suggestion that the battlefield nuclear weapons of the West might be traded off against the tanks of the Soviet Union for a possible agreement on force reductions.

If this kind of unconventional thinking is carried on throughout the whole of NATO's strategic and tactical doctrine, it may still not be too late to reverse the alarming shift in the military balance of power.

Lord Chalfont, a former British Labour Minister for Disarmament, is one of the United Kingdom's leading experts on defence.

READERS' LETTERS

Municipalities in the red

To the Editor of The Jerusalem Post
Sir, — The series of articles by Moshe Ater on "Municipalities in the Red" which were supposed to give the reader a clear picture concerning the financial position of local authorities seems, to my regret, to have accomplished the opposite.

The author's basic error is that he generalizes from examples which apply specifically to the Ramat Gan Municipality. One rather affluent city is not a fair example.

Because of its special nature, the Municipality of Jerusalem does not fall into the categories described by Dr. Ater. How does Dr. Ater know that municipal services can be carried out for less money? Did Dr. Ater study all the facts regarding the number of employees? Had he done so, he would have found out that the Jerusalem Municipality has a ratio of 6,000 employees for 32,000 residents and 110,000 dunams while the Tel Aviv Municipality employs 12,000 people for an area half the size with 20 per cent more inhabitants.

Since the reunification of Jerusalem in 1967, the workload has grown as has the area covered by the city's authority; services must, of course, be provided for the entire city. The level of services provided before 1967 in East Jerusalem demands extensive work which will take several more years to complete. These facts have a direct effect on the city's budget and are, of course, not mentioned anywhere. The author criticized the opening of nursery schools for three and four year olds but paid no attention to the special situation of Jerusalem, or other cities with large underprivileged populations, where it is important to close the social gap. I am of course only mentioning a few of Jerusalem's problems; other cities have theirs. But none of the basic urban questions of growth have been touched upon in these articles.

To draw conclusions implying that services are given only with a view to the next elections is so far from the truth that it does not even merit refutation.

FONA YARAV
Spokesman
Jerusalem Municipality
Jerusalem, December 8

Moshe Ater comments:
I fail to see why the fact that the Municipality of Jerusalem employs fewer people than that of Tel Aviv should prove that I was wrong when writing that municipal services could be carried out for less money by contractors.

The nursery schools were quoted as an instance — one of many — of a municipal service provided without regard to the cost involved and the means available. The Municipality of Jerusalem may or may not — consider this remark pertinent to its services, but Jerusalem, and its special situation, were not mentioned in my article, which dealt with general problems of municipal finance and management.

Chilean Jewry and human rights

To the Editor of The Jerusalem Post
Sir, — I have read with very mixed feelings the letter from two leaders of the Jewish Community in Chile, "In praise of Chile" (December 19). The tragic isolation of Israel, which I have been able to appreciate very acutely during my first visit here, makes me want the search for allies even in the most distasteful quarters. But the Chilean Jewish leaders go further. Despite their claim of "non-interference in the internal affairs of Chile," they do in fact signify their support for the Chilean Junta by speaking of "an international conspiracy headed by Russia and Cuba, under the pretext of defending human rights" directed against Chile. Why, in any case, should Chilean Jews abstain from "interference" in their own country's politics? Is this not a very strange position for citizens to adopt? May they not be adopting these positions publicly in part because they are afraid of the generals who currently hold power in their country?

that country. According to reports by Amnesty International, the International Commission of Jurists and many other bodies, torture and murder are still being used systematically by the government of Chile. Those who are grateful for the Junta's favourable disposition toward Israel should not forget the terror which it is inflicting on its own people.

DAVID LEHMANN
Jerusalem (Cambridge), Dec. 20.

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AROUND TOWN

SRAYA SHAPIRO

Old Jaffa's artists: 'It's not bad, when the windows are closed'

A PAINTER we know recently began trying to put on canvas impressions of the magnificent view he has from his Jaffa flat over St. Peter's Church and the Gulf of Tel Aviv. After a few attempts he felt terribly discouraged. He was sure the impressions reflected truly the spirit of the place, "but it looked too beautiful to be accepted as genuine Israeli landscape," the painter observed.

For Old Jaffa, reconstructed to serve as an artists' colony, is unique in its cold architectural beauty. Its three or four stone-paved lanes have been carved out from the ruins on the top of the hill, and the houses repaired or rebuilt in sandstone. The layer of dun stucco covering many of the buildings has given the place rather a Maghribi feel. Instead of the Oriental Mediterranean appearance one would expect to find, but architects say the plaster was necessary for constructional reasons, if the houses were to be renovated and not rebuilt. Construction materials used for private homes in this part of the world have never been of lasting quality.

Old Jaffa, as it is, is frankly and honestly a tourist attraction, nothing less and nothing more. It contains 70 artists' studios and 25 art galleries and shops, as well as 10 restaurants and clubs — including one wonders how a youth club. But only 30 artists actually live here with their families. A flat of about two and a half rooms, before the Yom Kippur War, cost the tenant some IL70,000 in key money, plus about IL40,000 for interior fittings, and carried a monthly rent of IL210, says Dan Barli, managing director of the Old City of Jaffa Development Corporation.

In addition to the artistic community, Old Jaffa residents include 30 families who as new immigrants were given temporary abode in the abandoned houses immediately after the War of Independence. A synagogue has been installed in one

of the larger houses.

Life in Old Jaffa is regulated by the tourists' time-table. It is pastorally quiet in the mornings, when only a few adventurous tourists stroll along the narrow alleys, to the occasional background music of church bells. In the evenings, particularly in the summer, the place teems with people — sometimes there are as many as 5,000, Mr. Barli estimates. On Friday nights the art galleries are shut, but the restaurants are open and draw many visitors. A constant din then rises above Old Jaffa, as loud as the noise one hears in Venice day and night, but here also pierced by the honking of cars making their way uneasily among the crowds.

How can creative artists seeking inspiration live here? — "One gets used to it," is one answer. "It's not too bad when the windows are closed. It's not worse than living in Rehov Dizengoff."

It is not the noise which disturbs the residents, however. It is the seclusion. Old Jaffa has been built as a monument, to be admired but not to be lived in. It is not known whether this was the intention of Marcel Janco, the Dadaist painter who saved the Jaffa hilltop from destruction when he worked at the city engineers' office in the early 1920s, but Janco was not asked to give advice on the project. The fact is that Old Jaffa lacks the simplest of amenities, not even a grocery shop. The stone walls are damp

after the rains. The small children of Old Jaffa residents are usually brought to kindergartens in North Tel Aviv by parents who form car-pools.

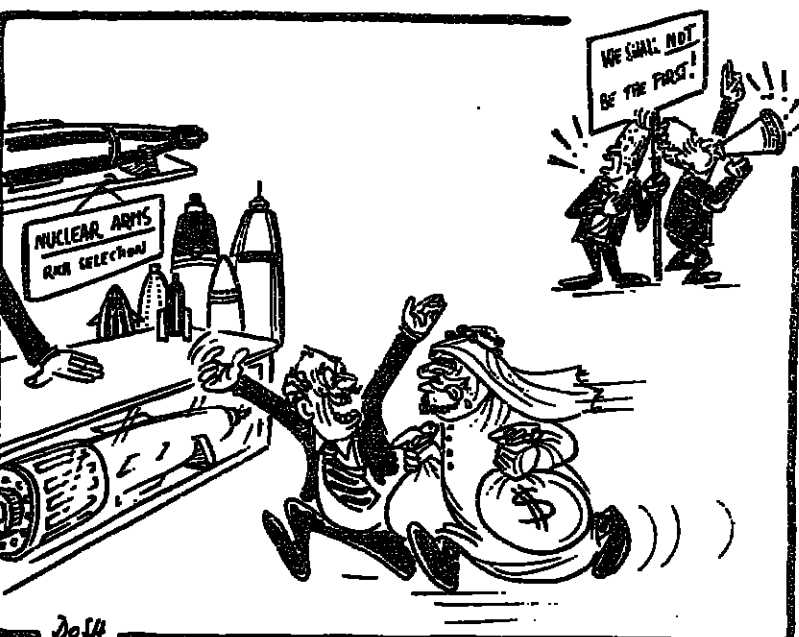
The gap between Old Jaffa and the surrounding town is appalling. The emergence of the artists' island with its throngs of tourists, never encouraged stores to open in the neighbourhood, as in tourist centres in Europe. Only in the Clock Square has the flow of visitors led to the opening of eating places both indoors and on the pavements.

And some artists, including actors, have on their own made themselves second homes in houses around the dilapidated harbour.

The Old Jaffa Corporation still has plans for the future. One day, the jetty of the old port will be extended, and a marina, similar to the one in Tel Aviv but more picturesque, will be built, Mr. Barli says. Implementation is relegated to the dim future unless unemployment swells. Meanwhile, the corporation plans only to adapt another eight sub-standard structures for new artists — but it will be able to do so only when the present tenants are given new homes elsewhere.

Squeezed between the three-thousand-year past, patiently excavated on the hill beside them, and the tumultuous present of their daily visitors, the artists of Old Jaffa imagine new worlds on canvas and in stone — and cast an eye to likely buyers of their art.

'I BEGIN TO BELIEVE THEM!'



(By arrangement with "Ma'ariv")

ISRAEL PRESS

Saboteurs of the economy

Davar (Histadrut) denounces what it calls "the workers' lack of a sense of national responsibility. What we are reaping now are the fruits of the overly tolerant attitude shown in the past. In the case of El Al, which is Israel's major link with the outside world, such sabotage of orderly operation is intolerable."

In general, says the paper, a firm stand is needed in any such case of blackmail in essential industries.

Omer (Histadrut) says that the El Al maintenance workers are far from being underpaid. The fact that they never even applied for such backing shows that they are fully aware that their demands are exaggerated. In the long run, says the paper, such conduct has the effect of jeopardizing the livelihood of those who engage in it.

Ha'aretz (Independent) discusses the Israeli proposal of a 30-50 km. withdrawal in Sinai in return for cessation of Egyptian support for the terrorists and non-intervention on the Syrian front — a proposal which it says Egypt could accept without prejudice to its security. In view of its rejection, though, the paper feels that Israel will gain more by waiting than by making any further proposals, like that of surrendering the strategically important Sinai passes.

The paper goes on to say that Egypt's failure to open the Suez Canal for international shipping is not a sign of good faith, and we can place equally little trust in any promises it may make to the U.S. in connection with Israel. This is especially true, it says, in view of the fact that Washington is abetting Egyptian violations of the disengagement agreement.

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Tel Aviv-Yafo Municipality

VOLUNTEERS WILL COME TO EXAMINE THE SHELTER IN YOUR HOME

The shelter in your home is essential for your protection, now more than ever before.

The Women's Organizations in Tel Aviv-Yafo have volunteered to examine the shelters in private homes, and to instruct the residents concerning measures designed to ensure the effectiveness of the shelter and its equipment.

The volunteers have been specially trained for this job by the military.

This project will take place from December 29, 1974, until January 31, 1975. Please welcome these volunteers to your home and help them examine your shelter; most of all, please listen to their suggestions for your sake and your children's.

Shlomo Lahat
Mayor

Bank of Israel

announces

Sunday, December 29, 1974, a series of

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Series Number	3016
Amount of issue	IL100m.
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Base index	The index for December 1974 (to be published).
Tax limitation and exemption	Income tax on the interest will not exceed 25%. Linkage increments on the principal will be tax exempt.
Type of bonds and nominal value	Bearer and registered bonds of IL100 and higher amounts will be issued.
Price to the public	Bearer bonds will be sold to the public at 100%; registered bonds at 99.5%. These prices will apply for the first two days only. From the third day after the day of issue, the accruing interest will be added to the purchase price.
Purchase	The Development Bonds can be purchased at all banking institutions and from members of the Tel Aviv Stock Exchange. Purchases at the time of issue are free of commission.
Registration at the Stock Exchange	The new series of bonds will be registered and traded on the Stock Exchange.

* Section 97 (a) (2) of the Income Tax Ordinance.